



Daily Report

East Europe

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15 January 1992

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Foreign Ministry Protests Border Deaths

*AU1401212492 Tirana Radio Tirana Network
in Albanian 1900 GMT 14 Jan 92*

[Text] The Foreign Ministry spokesman reports that on 12 January four Greek soldiers carried six Albanian citizens, two of them dead and four in very serious condition, from deep in Greek territory and deposited them on Albanian territory near the Vidohove border point.

Investigations have shown that the two victims died of wounds caused by beatings, other acts of violence, and cruel treatment by Greek soldiers. The Foreign Ministry today energetically protested this serious crime that has deeply outraged and shocked the Albanian people, summoning Greek Ambassador Mallikurtis and demanding that the culprits be held responsible. At the same time, he demanded that such acts that seriously damage relations between our two countries and peoples should not be repeated. The Albanian side reserves the right to inform the competent international bodies and organizations about this incident.

The Foreign Ministry also vigorously protested the arrival on 11 January, on the ferryboat Kerkyra that was authorized to bring glass as aid for Sarande District, of one officer, 11 soldiers, and six military trucks loaded with glass.

The protest note that Bashkim Dino, director of the Foreign Ministry's First Directorate, delivered to Greek Ambassador Mallikurtis stressed that the arrival on the ferryboat of soldiers and military vehicles without any prior notice and without the agreement of the responsible Albanian authorities constitutes a serious violation of Albanian legislation and is contrary to international regulations. The Foreign Ministry therefore demands that such acts that may lead to unpleasant incidents with undesirable consequences for relations between our two countries should not be repeated. The ferryboat was not admitted to the port and was immediately sent away.

Greek Soldiers' Arrival in Sarande Protested

*AU1401211992 Tirana Radio Tirana Network
in Albanian 1900 GMT 14 Jan 92*

[Statement issued by the Defense Ministry in Tirana on 14 January]

[Text] At about 0930 [0830 GMT] on 11 January, the Greek ferryboat Kerkyra entered the port of Sarande. Because 11 soldiers, one officer, and six military vehicles were aboard this ship contrary to international regulations, however, the unloading of the ship's goods was suspended on the instructions of the authorities of the Defense Ministry and the ship was removed from the port.

An analysis of this event has shown that the Greek side violated national and international legal regulations that state that military forces and equipment cannot be

brought into the territory of another country without the prior signature of a bilateral government agreement.

The Greek side should also have given 48 hours' notice before sending a ship in the direction of our country. In fact, two hours' notice of its departure was given.

We would not wish any repetition of incidents of this kind that damage our interstate relations. We nevertheless stress that the relevant authorities of our ports and the state and our border guards will unhesitatingly carry out all duties stemming from the legal dispositions and international documents covering violations of this kind.

Deputies Request Improved People's Assembly Work

*AU1401151092 Tirana Radio Tirana Network
in Albanian 1430 GMT 14 Jan 92*

[Text] Although deputies in general yesterday demanded that the parliament's proceedings should move faster, more seriously, and with an extended timetable, nothing changed this morning. The session was planned to start at 1000 [0900 GMT], but deputies gathered in the hall at 1100, in other words one hour late.

Before the session started, Presidency Deputy Chairman Lush Perpali drew the attention of the presidiums of the parliamentary groups to the need for better attendance at the Assembly's proceedings. He then said that the discussion of the bills to be approved would continue in meetings of the parliamentary groups, because more than half the deputies were not present.

Although the session was not declared open, many deputies asked for the floor and expressed their concern at the slow pace of work in the Assembly. They emphasized among other things that every deputy must be held personally responsible for not coming to the Assembly's sessions, and the public too must be informed of this.

Other deputies criticized the work of the Assembly Presidency, which has often obstructed the approval of the most vital laws.

During the speeches, the party leaders were also criticized for failing to attend the Assembly's proceedings regularly. It was also stressed that all deputies and party leaders must take more seriously the examination of laws waiting for approval.

After the speeches, work continued in the parliamentary groups. The plenary session is expected to begin this afternoon at 1700.

People's Assembly Discusses Various Bills

*AU1401150992 Tirana ATA in English 0858 GMT
14 Jan 92*

[Text] Tirana, January 14 (ATA)—The plenary sitting of January 13 opened at 1800 [1700 GMT]. The vice chairman of the Presidency of the People's Assembly, Lush Perpali, said among others that with regard to the statement of 51 deputies of the Socialist Party who have

asked that the Assembly examine the draft-law on pensions and social insurances, today at 0800 a meeting of the Commission of Budget and Treasury of the People's Assembly will be held with representatives from the group of 51 deputies, the minister of finances, the general director of the social insurances and specialists participating. Then, he proposed the agenda: the draft-laws to be examined.

Meanwhile the floor was taken by many deputies. They voiced their worry over many issues not yet solved and which should be materialised after the respective laws be endorsed. The deputies asked among others that due to the very short period of time the parliament has at its disposal it should adopt as soon as possible the draft-law on pensions and social insurances, a draft-law on the pensions of the militarymen, that on the privatization of dwelling houses and together with it the return of homes to their former owners, the draft-laws on statistics, the symbols, the elections, etc.

They voiced the worry over some problems related to the national cause and the actual relations of our country with the neighbours. The deputies made remarks and concrete suggestions on the activity of the government concerning the stability of the public order, the distribution of humanitarian aid and the actual situation of our agriculture, which will have its impact on the future of the country. In this sitting some deputies demanded that the statement of the chairman of Omonia in Gjirokaster be turned down. Hailing the referendum of the Albanian population in Macedonia the deputies condemned the stand of the Macedonian Government with regard to this.

The assembly resumes its proceedings at 1000.

Political Parties Meet in Districts

*AU1401151792 Tirana ATA in English 1003 GMT
14 Jan 92*

[Text] Tirana, January 14 (ATA)—The Democratic Party [DPA] branch for Berat District organised a meeting with its members and sympathizers. Taking the floor, Mr. Eduard Islami, secretary of the Steering Committee of the DPA said that Berat democrats were among the first to fight the communist dictatorship. Further on he dwelt upon the all-round activities of the DPA underlining that it is the main opposite force that promised to the people a democratic Albania and to unite it with Europe. On this road, he said, the DPA has justified itself, as Albania became a membership of the CSCE and the world, with our participation in the Stability Government, opened the doors to Albania after almost half a century of isolation. The hitherto electoral campaign will finally give Albania the visa to enter Europe. The countries of Eastern Europe showed that only by voting for the parties of the opposition can the communist-Slav system be left behind.

In Burrel city, Mat District, the first conference of the SDP [Social Democratic Party] branch of the district was held. The report and the contributions pointed to the SDP role in the evolution of the democratic processes and its admission as consultative member of the Socialist International, which is the best reward for the social-democratic forces in Albania, was hailed. The greeting of the steering committees of the SDP said that the SDP will go to the new elections as a consolidated opposite party, closely linked with the other forces of the opposition. Likewise it was stressed that the first congress of the SDP, to be held this month, will serve the enhancement of the authority of the party and the introduction of genuine democracy.

Security Adviser Denies Massing of Troops

*AU1501114092 Sofia Khorizont Radio Network
in Bulgarian 1000 GMT 15 Jan 92*

["Direct telephone interview" with General Stoyan Andreev, presidential adviser on national security, by news announcer Chavdar Stefanov, in Sofia—live]

[Text] [Stefanov] General, according to a Sofia newspaper report today, the National Security Council held a meeting yesterday. Is this true or not?

[Andreev] This is some mistake on the part of the paper 24 CHASA, but it is not very important, because the meeting that was announced for yesterday will take place at 1500 [1300 GMT]. This is the most important thing, namely that problems are decided, and not....

[Stefanov, interrupting] Are there any troop movements or any massing of our forces at our western border?

[Andreev] No, categorically no. So far we have not reacted in any way, and this will be one of the questions that we will examine today at the meeting of the consultative National Security Council. I have already said, and will reiterate that our state leadership, headed by the commander in chief of the Bulgarian Armed Forces [President Zhelyu Zhelev], is most carefully studying the situation, and the commander in chief, as I have already said, will adopt adequate measures, in the sense that they will correspond to the danger that the situation creates for our country.

Second, as regards the viewpoints of the all-European structures—I have in mind the stances of NATO, the Western European Union, and the EC—we will not act against the main decisions of these structures, because the conditions in which we live in Europe are well-known, and we could expect nothing good to come of adopting decisions at variance with these structures.

[Stefanov] How true is the assertion regarding a possible mobilization in Bulgaria? You mentioned adequate measures, and the newspaper claims that mobilization is possible?

[Andreev] I would not like to disclose government and the president's plans by explaining what is implied by the term adequate. It simply means everything that is necessary and is called for by the situation in order for us to defend our country's interests in a worthy manner. These measures will be taken, and I consider that I am not authorized to explain to you the exact nature of these measures.

[Stefanov] Is there any information regarding the presence of any foreign military specialists in Bulgaria at the moment?

[Andreev] In what sense? Do you mean near the border?

[Stefanov] Yes, naturally. Foreign delegations, military delegations that are here at the moment.

[Andreev] There are no such delegations here at the moment, except for those engaged in protocol activities, so I do not understand the context of this question.

[Stefanov] The context is whether foreign observers would be able to confirm that there are no troop movements or massing of forces around our western border.

[Andreev] Yes. You know that we have applied to the EC....

[Stefanov, interrupting] Yes, this makes the question of EC observers on our western border extremely topical.

[Andreev] Yes, this issue was raised by our government and the president in the application that we made to the EC and the Western European Union, and by and large the reaction to this proposal has been positive. However, I should point out that so far no practical decision has been reached on this problem.

[Stefanov] Thank you very much.

Border Mobilization Denied

*AU1501114792 Sofia Khorizont Radio Network
in Bulgarian 1000 GMT 15 Jan 92*

[Telephone interview with Captain Second Rank Tsvyatko Donchev, "expert of the Ministry of Defense," by announcer Chavdar Stefanov in Sofia—live]

[Text] [Stefanov] I have just learned that we have been able to contact Captain Second Rank Tsvyatko Donchev, an expert of the Ministry of Defense. How do you do Captain?

[Donchev] Good day to you.

[Stefanov] I presume that you heard the interview with General Stoyan Andreev. Therefore I would like to dwell only very briefly on the following questions: Is there any movement of troops, or concentration of troops at our western borders? To what extent are the rumors about a possible mobilization to be believed? Could you answer briefly?

[Donchev] As far as the rumors are concerned, there are no movements of the Bulgarian Army whatsoever. The troops are stationed according to their permanent deployment instructions in the areas of our western borders. I listened very carefully to General Stoyan Andreev's statement. As regards the question whether there are some international experts and observers in our country.....

[Stefanov] Yes, perhaps you can add something on this subject?

[Donchev] As far as I am in a position to reveal, I will say that an inspection group from Germany is currently working with the Bulgarian Army. This is in accordance with the Treaty on Conventional Forces in Europe. A group of British military experts is visiting Graf Ignatievo in connection with the implementation of the

groups which are currently in our country. I would also mention Mr. (Domok Ray), who is also expected to visit Bulgarian military installations. Mr. Robert (Lear), who is a specialist on drafting military budgets has been working for the last two days in our country. Therefore, I can say that this is the latest information provided by the Press Center of the Ministry of Defense on the presence of foreign experts.

As far as the situation in Yugoslavia is concerned, we are following it very closely. A short while ago, General Stoimenov, the spokesman of the Ministry of Defense, and I contacted Lieutenant General Stoyan Topalov, first deputy chief of the General Staff, who told us that at this moment there is no mass troop movement at our Western borders, with the exception of the normal combat training activities of the units and sub-units. There are no training assemblies, meaning calling of reserve troops, and there are no preparations for mobilization whatsoever.

[Stefanov] Thank you. I would like to add only a correction for our listeners. You just mentioned Yugoslavia, but you meant the former Yugoslavia, to be precise, of course.

[Donchev] Yes, you are right, of course.

Final 1st Round Returns on Presidential Elections

*AU1401194292 Sofia BTA in English 1915 GMT
14 Jan 92*

[Text] Sofia, January 14 (BTA)—There will be a second round to the presidential elections in Bulgaria, according to the official results announced by the Central Electoral Commission tonight. Incumbent President Zhelyu Zhelev (running for a second term) and poetess Blaga Dimitrova (candidate for vice president) polled 44.66 percent of the vote and will compete with independent MP Velko Vulkanov (elected on the ticket of the Bulgarian Socialist Party) [BSP] [as received] and former MP Rumen Vodenicharov who polled 30.43 percent of the vote. 2,273,468 Bulgarians cast their votes for the Zhelev-Dimitrova team and 1,549,754 for the Vulkanov-Vodenicharov team.

The split in the electorate is indicative of the present strong polarization of Bulgarian society. Zhelev and Dimitrova, nominated by the Union of Democratic Forces (SDS), were supported by those who voted for the SDS in last year's general elections plus the electorate of the Movement for Rights and Freedoms (DPS) and the followers of the formations that had split from the SDS before the elections.

The results in almost all constituencies are close to those of the general elections. The only exceptions are the mixed-population regions. In Kurdzhali and Razgrad, where the Movement for Rights and Freedoms of the ethnic Turks (which did not nominate a candidate of its own) has a strong influence, Zhelev and Dimitrova

received 73.30 percent and 54.16 percent of the vote respectively. They were supported by 60 percent of the Bulgarians living abroad.

Velko Vulkanov and Rumen Vodenicharov were favoured by the electorate of the BSP which declared its support for this team shortly before the elections. They have the lead in Vidin, Vratsa, Mikhaylovgrad and Yambol which voted Socialist at the general elections.

The results of the elections in the city of Plovdiv came as a surprise for the SDS presidential candidates. They polled 12 per cent less votes than the SDS polled at the parliamentary elections. The team supported by the BSP polled 54 per cent of the vote in the town of Turgovishte as against the 34 per cent the BSP polled at the parliamentary elections.

The team of Georgi Ganchev, one-time Bulgarian fencing champion, who spent many years in the West, and Petur Beron, former SDS leader who was forced to resign because of collaboration with the former State Security, were the hit of the presidential elections. Their campaign was attractive and this probably helped them come third among the 21 candidate president tandems with 16.77 per cent of the vote. According to sociologists they were supported by the newly emerging businessmen and young people attracted by their promises for quick economic progress and life in a Western manner.

75.50 per cent of the electors took part in the elections.

Social Democrats Urged To Support Zhelev

*AU1401181092 Sofia Khorizont Radio Network
in Bulgarian 1600 GMT 14 Jan 92*

[Text] The Executive Bureau of the National Committee of the Bulgarian Social Democratic Party [BSDP] states its support for the candidacy of Dr. Zhelyu Zhelev for the president of Bulgaria. This was stated in an appeal sent to BTA that calls on BSDP members and sympathizers to cast their votes for the victory of democracy in Bulgaria.

BSP Says Zhelev Not Unifying Figure

*AU1401202992 Sofia Khorizont Radio Network
in Bulgarian 1600 GMT 14 Jan 92*

[Text] The Bulgarian Socialist Party [BSP] held a news conference today. The fact that two out of every three people who voted did not cast their vote for Zhelyu Zhelev shows that he cannot be a unifying figure for the Bulgarian people. According to information from Aleksandur Marinov, leader of the BSP Sofia organization, 7 percent fewer people voted in Sofia than during the 13 October 1991 elections.

The BSP requested that a meeting be held today between Prime Minister Filip Dimitrov, Nora Ananieva, and Krasimir Primyanov where the question of the allocation of premises for the BSP Supreme Council will be discussed.

SDS Council Discusses First Election Round

AU1401210292 Sofia Khorizont Radio Network
in Bulgarian 1400 GMT 14 Jan 92

[Text] Once again we are back to square one. This, according to Filip Dimitrov, is the main conclusion adopted by the Union of Democratic Forces [SDS] at today's session of the National Coordinating Council.

At today's SDS news briefing, party leaders said that Bulgaria continues to face the alternative of democracy or communism, and that undoubtedly during the second round of presidential elections the blue ballot and red ballot, which in this case is white, will compete against each other again.

At the National Coordinating Council discussion, attended by President Zhelev and his running mate Blaga Dimitrova, an analysis of the votes from the first round was done according to social groups and campaign tactics were decided upon to stabilize the blue voters for the second round of the elections. The SDS is relying on motivating young people, who were impressed by the more expressive style of some candidates, as well as older people, who, according to Dimitrov, have been subjected to false populist attacks.

The nonpartisan character of the presidential campaign, which was proclaimed by certain candidates, was described by Mikhail Nedelchev as a myth. According to him, Zhelev and Dimitrova, because of their qualities, are truly figures capable of uniting the country and are not deprived of party affiliation. Launching the idea about the non-party affiliation of the candidates, according to Nedelchev, causes the SDS electorate to hesitate.

There is hardly anyone with illusions about the platform of the Vulkanov-Vodenicharov ticket, Filip Dimitrov stated. If the Bulgarian Socialist Party supports any other ticket, then we can believe that the candidates, not the party, have changed their views, Dimitrov said.

SDS Optimistic About Runoff Prospects

AU1401210692 Sofia BTA in English 1635 GMT
14 Jan 92

[Text] Sofia, January 14 (BTA)—Today the Central Electoral Commission is to announce the final results of the first round of the direct presidential elections.

On Sunday Bulgarian voters will choose between democracy or communism, according to the Coordinating Council of the ruling Union of Democratic Forces (SDS). Mr. Filip Dimitrov, SDS leader and Bulgarian prime minister, hopes that all democratic organizations will support the incumbent president, Zhelyu Zhelev. In the first round the SDS team, Dr. Zhelev and poetess Blaga Dimitrova, polled about 44 percent of the vote.

This week the SDS campaign will be addressed to those who did not go to the polls last Sunday. SDS spokesman

Mikhail Nedelchev hopes that certain groups of voters will change their minds: young people attracted to colourful George Ganchev and older people influenced by populist attacks. SDS leaders believe that certain speculations have repelled part of the electorate—the repeated reports in the press of contradictions within the SDS and the attempts to identify Zhelyu Zhelev with centrists and liberals.

At the second round the Socialist (formerly Communist) Party will again support Velko Vulkanov and Rumen Vodenicharov, it was said at a press conference today. According to the Socialists, the 44 percent poll for Dr. Zhelev proves that 56 percent of Bulgarians do not approve his actions, especially in the field of the foreign policy, national and social security and national defence. Socialist leaders refused to comment on what will happen to the political situation in Bulgaria if Vulkanov and Vodenicharov win the elections.

The rumours that the BSP-supported team will not go to the second round have not been confirmed so far.

If this happens, however, George Ganchev and Petur Beron are ready to challenge Zhelyu Zhelev and Blaga Dimitrova. Ganchev and Beron do not believe in the success of the Socialist-supported team, neither can they help it directly because, as they admit, they do not control their electorate. George Ganchev's ambition is to turn his organization, the Bulgarian Business Block, into the centre of Bulgarian political life.

Today the Green Party appealed to Vulkanov and Vodenicharov to refrain from taking part in the second round. The Green Party will not support the Zhelev-Dimitrova team either. It does not matter for them who will be President Zhelev's rival at the second round: George Ganchev, Blagovest Sendov or ex-Premier Dimitur Popov.

Today Mr. Petur Gogov, leader of the Independent Democratic Party, who polled less than one per cent of the vote, called his supporters to boycott the second round.

Official on Processing Election Results

AU0901175392 Sofia BTA in English 1713 GMT
9 Jan 92

[Text] Sofia, January 9 (BTA)—As early as in the afternoon of January 12 it will be clear whether the voter turnout had been heavy enough, says Associate Professor Mikhail Konstantinov, member of the Central Electoral Commission. He himself believes that at least five million Bulgarians will vote, which is a way above the required 50 per cent turnout required for the validity of the poll.

Once every three hours the Central Electoral Commission will be getting consolidated updates on the progress of voting. The mechanical summing of these results will provide an idea of who is winning the first direct

presidential elections in Bulgaria. This idea, however, may not be true because the sample is not representative. Still, there are ways to process or "weight" these returns so as to predict the results of the poll.

The Central Electoral Commission will have 48 hours to consolidate the election results, counting the input from the constituency electoral commissions. A declaration of the final result, however, will take another 24 hours, during which all polling district tally sheets will be counted.

Mr. Mikhail Konstantinov predicts that probably at midnight or in the small hours of January 13, Bulgarians will know the first vote tabulations. Three organizations have said so far that they plan to generate vote tabulations: the Bulgarian Association for Fair Elections, the Citizens Initiative for Free and Democratic Elections and the BSSS, a Bulgarian subsidiary of Gallup International. In the night of the parliamentary elections on October 13, 1991, Bulgarians were avalanched by projections. Six organizations were releasing tabulations over several hours.

According to Mr. Dimitur Dimitrov of the Political Science Laboratory of the University of Sofia, if 75-80 per cent of the voters turn out, there will be no second round of voting and the incumbent president Zhelyu Zhelev will be reelected.

According to Mr. Todor Petev of the Institute of Sociology with the Bulgarian Academy of Sciences, the presidential elections, just as the parliamentary elections last October, are a sort of a referendum reflecting the divisions of Bulgarian society. It is precisely for this reason that the Socialists believe that if it comes to a second round, the votes which did not go to Dr. Zhelev will swing to the candidates they support. Mr. Petev, though, rules out this possibility. According to Institute of Sociology polls, Dr. Zhelev's 46 per cent approval rating almost eliminates the probability of a second round.

Mr. Valentin Zhechev of the Institute of Youth Studies believes there will be a second round which will be won by a rival of the incumbent president Zhelyu Zhelev.

Electoral Commission Caters to Citizens Abroad

*AU1001154792 Sofia Khorizont Radio Network
in Bulgarian 1400 GMT 10 Jan 92*

[Text] Today the Central Electoral Commission established a group to deal with the materials from the polling stations abroad. This group, consisting of Ganeta Minkova and Orlin Borisov, will have the job of receiving the results from Bulgarian citizens voting abroad.

The following will be the officially accepted information sources: Station protocols arriving by fax addressed to the Central Electoral Commission. These protocols will

be in the ratio of one to one as regards the comprehensiveness of data. Another source will be the telex, in which case there will be an abbreviated version of the protocol, but it must contain the basic numerical characteristics of the elections. The third way is through a radio link at the Ministry of Foreign Affairs. The results received at the Bulgarian Ministry of Foreign Affairs will be submitted in writing to the Central Electoral Commission. It is obligatory that all this is carried out within the time limits envisaged in the law. The original protocols and lists will arrive later by diplomatic post.

Here are a few revised figures: Bulgarian citizens who live abroad will be able to vote in 54 states, where there will be over 100 polling stations. It has been specified that the stations will be located in embassies, trade missions, and consulates. In most cases, there will be one or two stations in each of the 54 states mentioned. It is expected that no more than 1,000 people will vote at each station. Libya will have the most stations, 30 in all; in the United States there will be nine or ten, and in Turkey there will be three, in Ankara, Istanbul, and Odria.

Today, the operational plan was adopted specifying the Central Electoral Commission's work on the election day. The groups responsible for accepting protocols, telephone calls, the distribution of rooms, and so on are specified in this plan.

Government Urges CSCE To Recognize Macedonia

*AU0901194692 Sofia Khorizont Radio Network
in Bulgarian 1730 GMT 9 Jan 92*

[Text] I will now acquaint our listeners with the text of a memorandum sent by the Bulgarian Ministry of Foreign Affairs to the CSCE member states.

From the very beginning of the Yugoslav crisis, the document states, Bulgaria has followed a line of noninterference in internal affairs and refrained from actions that could be interpreted as attempts to exploit the complex situation in Yugoslavia.

Bulgaria supported UN Security Council Resolutions 713 and 721 and the CSCE initiatives. Bulgaria also supports the approach adopted by the EC to the problems that have arisen as a consequence of the Yugoslav crisis, including the criteria formulated in the declaration of 16 December 1991.

Bulgaria is pleased to accept the approach of placing all the Yugoslav republics that satisfy the criteria cited in the above declaration on an equal footing as regards the question of their recognition, as well as the readiness of the EC countries to implement such recognition following 15 January 1992.

Bulgaria considers that, following the recent amendments to the Constitution of the Republic of Macedonia on 6 January, this republic satisfies the criteria listed in

the abovementioned EC declaration, and should be treated on an equal footing with Slovenia and Croatia.

Bulgarian is convinced that any postponement of the international recognition that the Republic of Macedonia should receive will do little to promote stability in the Balkans.

Ganev Favors Recognition of Macedonia

AU1501120692 Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 15 Jan 92 p 4

[Report by "fy": "Sofia Advocates Recognition of Macedonia"]

[Text] Bonn, 14 January—Bulgaria considers the early recognition of Macedonia's independence important for stability in the Balkans. It holds the view that all republics of the former Yugoslavia should be recognized simultaneously. That is what Bulgarian Foreign Minister Stoyan Ganev stated prior to his meeting with Foreign Minister Hans-Dietrich Genscher in Bonn. If the German foreign minister asked his advice, he would recommend that he not only establish diplomatic relations with Slovenia and Croatia, but also recognize Slovenia on 15 January, said Ganev in an interview with this newspaper. He commented on the situation in the region, after giving a speech on his country's foreign policy at the Konrad Adenauer Foundation in Bonn. He said that regarding the current situation in the Balkans, nothing is more dangerous than the refusal to recognize Macedonia. If Macedonia is not recognized, tendencies will be furthered in Serbia aimed at the annexation of Macedonia.

Ganev believes that Greece would possibly back such a policy by Belgrade. The Bulgarian foreign minister referred to statements made by Greek politicians, saying that Greece and Serbia—between which Macedonia, a former Yugoslav republic, is located—are "neighbors." The policy pursued by Athens is aimed at preventing, by cooperation with Serbia, an international recognition of Macedonia, said Ganev.

On the other hand, Ganev admitted that the fear is warranted that the emergence of an independent republic of Macedonia could lead to unrest among the Macedonian population in northern Greece. He also said that the Bulgarian Government would surely be overthrown, if it accepted the annexation of Macedonia by Serbia. In this respect, all Bulgarians are in agreement with the Macedonians in the country. However, that would destabilize the region, and this must be avoided, he said. But because of its geographical situation, and due to the fact that his country has to live together with Serbia in the future, Bulgaria will not be among the first countries to recognize Macedonia. Nor will it be the last country to take this step, said Ganev.

Ganev said in his speech that stability is the most important goal of his country's foreign policy. Bulgaria wants to be an integral part of the European security

architecture. The problem of NATO membership is still on the agenda of Bulgarian policy, even though this goal cannot be achieved in the near future. On Macedonia he said that Bulgaria does not intend to interfere in other countries' internal affairs. His country will respect Yugoslavia's borders, and its policy will be guided by the respect for the right of self-determination of peoples and countries. His country will not recognize Slovenia and Croatia without at the same time recognizing Macedonia. In doing so, Bulgaria would keep to the catalogue of principles formulated by the EC members as a yardstick for themselves. Bulgaria would by no means treat the republics of the former Yugoslavia by applying different yardsticks. Ganev suggested that EC observers should be dispatched to his country's borders to demonstrate that it does not interfere in the Yugoslav conflicts and to show that it does not have any territorial claims. However, if "others" were to have territorial claims on Bulgaria, his country would rely on the West "and, in the final analysis, on the new world order."

Dimitrov on Yugoslav Republics' Recognition

AU1001162792 Sofia BTA in English 1505 GMT
10 Jan 92

[Excerpts] Sofia, January 10 (BTA)—"As regards the Yugoslav republics Bulgaria will act in accordance with the principles already stated: right to self-determination of the peoples of all Yugoslav republics and readiness to recognize the individual republics when their actions meet the conditions set forth in the EC declaration," Bulgarian Premier Filip Dimitrov said in parliament today in answer to a question by an MP.

"Bulgaria will be guided by this position regardless of how the different EC states may view this," the premier said. According to him, being a sovereign state, Bulgaria should formulate its sovereign decisions and materialize them in appropriate actions. [passage omitted]

"I hope that any possible differences between Bulgaria and Greece concerning the Yugoslav republics will not affect the two countries' relations," Mr. Dimitrov said in his speech in parliament. Mr. Dimitrov declined to comment on the position of Serbia and of the political forces there saying that the matter in question concerns a sovereign state in whose internal affairs Bulgaria will not interfere in any way.

Pushkarov Reports on Trade With Russia

AU1301203292 Sofia BTA in English 1850 GMT
13 Jan 92

[Text] Sofia, January 13 (BTA)—The final negotiations on the draft protocol on trade and payments in 1992 between Bulgaria and the Russian Federation will concern the exchange of energy resources for foodstuffs and medicines to the value of 1,300 million dollars and deliveries of machines and equipment amounting to 390 million dollars.

Today the Council of Ministers authorized Mr. Ivan Pushkarov, minister of trade and industry, to sign the protocol, and the Bulgarian delegation to open negotiations with the competent Russian authorities on the settlement of the outstanding transferable-rubles balance. It was recommended that the National Bank of Bulgaria negotiate the conclusion of an agreement on using the two countries' national currencies in their trade and payments.

The report presented by Minister Pushkarov points out that after the changes in the state and political system in Bulgaria's traditional business partners: Russia, the Ukraine and Kazakhstan, which account for over 90 percent of its trade, it is of primary importance to sign separate documents on trade and economic relations with them.

Bulgaria will offer Russia an export of 34,000 tonnes of meat, 10,000 tonnes of poultry, 50,000 tonnes of fresh tomatoes, 13,000 tonnes of children's food, 40,000 tonnes of cigarettes, 15,000 bottles of wine, 10,000 bottles of champagne, medicines to the value of 330 million dollars and veterinary preparations worth 50 million dollars.

As Mr. Pushkarov believes that the settlement of payments in convertible currency is impossible for both sides, different options are proposed. One of them is the settlement of payments using special fuel and food accounts. It is suggested that the equivalent of the balance in U.S. dollars formed under last year's agreement on socio-economic relations with the Soviet Union be transformed into unpaid Bulgarian exports, and the 60 - 65 per cent of the deficit belonging to the Russian Federation be carried over as Bulgaria's surplus in this year's trade. If Russia does not accept this proposal, it will be insisted on transforming Russia's share in the outstanding balance into its hard-currency equivalent which will make it possible to start energy resources deliveries without Bulgaria making effective payments for them. Besides it will be suggested to charge the currency amounts on these accounts with the prevailing interest rate in the international credit markets.

Dimitrov Addresses Nation on Economic Successes

*AU1401094392 Sofia DEMOKRATSIYA
in Bulgarian 7 Jan 92 p 3*

["Programmatic Address of Prime Minister Filip Dimitrov," read on Bulgarian Television on 6 January]

[Text] Fellow Countrymen;

Two hours ago, at a meeting of the Council of Ministers an important decision was adopted. As of 1 February the government will create a special system of protection for those Bulgarian citizens who are socially most disadvantaged. This is not easy for the budget, but we cannot let our mothers and fathers suffer. I mean those who cannot pay the rent and cannot pay for electricity and medicines with their small pensions. However, this will only be a

temporary solution to a part of the problems that society faces. In the 55 days since the Union of Democratic forces [SDS] formed a government we have been able to establish that the scope of the economic disaster inflicted on Bulgaria by its communist governments is significantly greater than we thought.

It is clear that rapid and radical economic measures are necessary, including decisive economic reforms. They will be painful. However, we must all understand that these measures are inevitable. Otherwise, the survival of the nation will be exposed to mortal danger. This is because, whereas in the near future we will perhaps be able to erect protective walls once or twice to save the rapidly increasing group of socially disadvantaged, if the economic system is not fundamentally changed, our entire people will be doomed. I repeat—the measures are inevitable—and let all, regardless of their party bias, clearly understand this.

Almost one century ago Prime Minister Dr. Konstantin Stoilov said that small states like Bulgaria could be morally great powers, principally because of their domestic policy. "Such states," Stoilov told the Bulgarian Parliament, "are powerful because of their freedom-loving institutions and the order that prevails in them. They are powerful when they become the center of progress, civic justice, and freedom."

What do order and national security mean at the end of the 20th century? I believe that you will all agree that the security of the state means first and foremost security for each of us. We cannot want a strong army and police if we do not have the means of supporting them. For certain demagogues it is very easy to raise the slogan of strengthening national security, while simultaneously destabilizing the state from the economic point of view. The government has given priority to the need to strengthen the Army, police, and internal intelligence, increasing their authority and enhancing the citizens' respect for these national institutions. However, as I said, the state needs resources in order to guarantee law, order, and peace. Here lies a crucial problem for the whole of society. Our economy is disintegrating more and more rapidly because it was constructed on erroneous principles. We have seen what happened in the USSR. Throughout the world—from Sweden to Venezuela and from Hungary to South Korea—the myth about the need to centralize the economy, have excessive state regulation of the economy, and promote various variants of socialism have collapsed. There is no example of a country that has prospered because of state intervention in the economy. However, there is another significant fact and that is that the countries that are economically strong also have solid national security. I wanted to quote the great economist Milton Friedman, who said that economic growth is as big as government interference in this process is small. However, I remembered a Bulgarian proverb that is centuries older than Friedman's thought, namely, that "the state is a poor manager." The decades since the end of the war showed how wise the Bulgarian people are.

The state really is a poor manager. I think that those seven words say it all.

Bulgaria's basic task in 1992, which will be a decisive year for our destiny, will be to free the state from the need to interfere in everything and, above all, in the economy. Naturally, this could be accomplished through state measures of a government and parliamentary nature.

The new government took over the leadership of a country in which a storm was raging. That storm is the result of the collapse of the communist economic system. The last government's hands were tied by the half measures of the Grand National Assembly. Inflation was curbed, but even today there are some hotbeds of inflationary pressure related to problems of income and employment. Forecasts show that in 1992 we can expect a monthly increase in retail prices by 3.5 percent. The economically unjustified claims of the trade unions are provoking a race to increase wages and this is something that will inevitably slow down the reform and undermine our frail stabilization. The government is firmly determined not to give in to any pressure in that direction. This would only temporarily postpone the problems. Afterward, it would be much more painful and expensive to solve them. We understand how difficult the life of most people in Bulgaria is. At the same time, we understand that an increase of wages and pensions today or tomorrow would mean new price increases and even greater poverty. It suffices to point out that paying a 13th month's pension, something that was the subject of much talk recently, would mean, for example, a cut of the health care budget by 25 percent. This would be a blow against all, and first of all, against the pensioners themselves. On the other hand, the government spends incredible amounts of money subsidizing unprofitable production. For example, some of the enriched ores produced in Bulgaria are 2.5 times more expensive than those on the world market. Obviously, if we want to develop a profitable economy this must stop. In 1991 production probably dropped almost 24 percent. This is mainly related to the past regime's ideological penchant for heavy industry. However, more than a third of the country's economic potential is in branches and industries in which we have no comparative advantages over other countries. Today those branches must painfully fold in order to facilitate the country's real economic potential for healthy growth. On the other hand, closing those productions will increase unemployment, which is high as it is. By the end of December 1991 we had 414,342 registered unemployed. That is 10 percent of the economically active population. However, the fall in production is significantly slower than the increase in unemployment. Now there are 41 unemployed for every available job in the country. However, competition for jobs has still not had a positive impact on production. The government posed itself the task of conducting an active policy in the labor market by diversifying requalification opportunities, providing updated information

on available jobs, and stimulating the creation of such jobs. The labor exchanges must provide jobs and not social relief.

This raises the question about the measures to increase production, obtain greater profit and income from taxes, or in other words, obtaining more money, which the state could redistribute. However, this does not mean a tax increase. On the contrary—the government is preparing a package of normative laws to change the tax system, create social security and health care funds, and introduce value added tax. Those laws should be adopted by the middle of the year and go into effect at the beginning of 1993. This does not mean that throughout this period taxes will remain unchanged. Some partial measures related to facilitating the activity of private producers could be introduced in March or April. Our aim is to reduce inflationary pressure in the country and create conditions for gradually reducing interest rates and then—taxes.

We intend to adopt decisions at government level after consultations with representatives of private business. We will stimulate such contacts. We also intend to submit a bill on amending the Law on the Banks with a view to introducing securities.

It is a fundamental truth that privatization is the basic principle for increasing production.

We assume that in 1992 privatization will bring a turning point in economic policy. Privatization needs an appropriate macroeconomic framework, which includes expanding credit activity, maintaining relatively stable prices, and blocking the financial claims to the budget on the part of certain social groups. By the end of the year we expect parliament to adopt the Law on Transforming State Enterprises, which will open the road to small privatization, especially in trade. A Law on Privatization has been submitted, and the government continues to discuss it.

Fellow Countrymen; we realize that with privatization many people could make a dishonest profit. However, we do not want to retreat from the principle that the best distribution is done by the market. Therefore, the government introduced a bill on amendments and addenda to Article 3 of the Law on Citizens' Property, on the basis of which much of the illegal income, or means of participating in the privatization, could be established. Next month we expect parliament to adopt bills on restitution, which will facilitate the restoration of the economic possibilities of those whose property was forcefully seized by the state. Naturally, this does not mean absolute justice or absolutely equal possibilities. The issue is to limit the damage, in other words, to make sure that those who cannot become owners can work under better conditions and obtain higher incomes.

Bulgaria needs a middle class. This means both people with small businesses and well-paid workers and employees.

The issue of restitution and privatization in the cities is closely related to **restoring ownership of agricultural land.**

Practically nothing was done in this area last year, despite the fact that the Land Law was adopted. The government has already introduced a draft amending the Law on Owning and Utilizing Agricultural Land. The restitution of land involves many difficulties. However, we understand that if it is not implemented by the end of spring, another year will be missed. I do not want to talk about the chaotic creation of structures to serve this law. I would only like to stress that, along with the legislative initiative, the government will do what is necessary and change the organs related to the application of this law within two months. Thus, we will attempt to return the land to most of the owners by the end of the spring. A project for financing and assisting owners who have received their land has been worked out within the framework of the PHARE [Economic Reconstruction Aid for Poland and Hungary] program of the EC.

Attracting foreign investment in both agriculture and industry will be one of the basic tasks of the government. Probably by 20 January the National Assembly will adopt a law on foreign investments, and thus stimulate them in Bulgaria. The concern that Bulgaria could be "bought up" by foreigners is unjustified. The projects that could possibly be financed or sold are not many in number and the influx of investments to the country is not that great. It suffices to point out that the former government issued one permit for foreign investment, and the relevant commission of the government I lead—only 12. You can understand that Bulgaria is a long way from being sold out. However, foreign investments could be a catalyst for developing the Bulgarian economy, improving its organization, introducing modern management, investing capital, attracting know-how, developing new jobs, and securing foreign markets. It suffices to point out that, with the collapse of the Soviet economy, Bulgaria practically lost one of its basic trading partners. This was a cruel blow to our entire economy. It obliges us to search for new solutions by restructuring production and guaranteeing the market for foreign investments. The government sees activating exports and orienting our economic development toward exports as a basic driving force for growth.

The foreign debt is one of the new government's main problems. This debt significantly surpasses the GNP of the country. This fact forced the government to seek the support of the G7 group and the international financial institutions. By the end of January the government intends to propose to the National Assembly a framework draft for reaching a long-term agreement with the bank-creditors that will include measures to significantly reduce the debt and reschedule the rest in a way that corresponds to our possibilities. We aim to conclude such an agreement by the end of this year. This will be

beneficial for the development of our foreign economic contacts and increasing employment and market opportunities. However, one way or another, the burden of the debt accumulated by the communist government will fall on the shoulders of the Bulgarian taxpayers, albeit in a reduced form.

The heritage left us by the communist government is not confined to the foreign debt. **Our power supply system**, which is the result of an imprudent and one-sided policy, compels us to work without a capacity reserve and forces us to depend on a few foreign sources. The structure of our power consumption places us among those countries that most efficiently waste their power resources. It is unrealistic to expect that a new power supply system could be worked out within two-three months. During the winter months the government will resolve the power supply problems "piece by piece"—through additional expenditures and efforts, and by securing aid from abroad. Work during the current year, especially after the separation or concentration of the economic functions of power supply in the newly created power supply companies, and the separation of economic functions from state functions, will take place in three directions—guaranteeing the safety of the nuclear power supply system and developing parallel power sources such as natural gas; seeking new partners for the supply of energy raw materials; and creating conditions for introducing energy-saving technologies. In this sphere too we will need credits and assistance and the government's task will be to act in this direction.

The government also inherited an obsolete and profoundly wrong **ecological policy**. Today we are beginning to change many things. A draft on amendments and addenda to the Law on Protecting the Environment has been prepared. We are working diligently on all other environmental protection laws. The first financial-economic mechanisms for managing ecological policy—taxes on utilizing natural resources and polluting the environment—will be introduced within one month. We will do everything possible to accelerate the signing by the end of the year of two conventions that are very important for us—on preserving the Black Sea and on ecological cooperation in the Balkans. We expect assistance in protecting the environment from the international financial institutions.

The priorities in the government's economic activity in the context of restructuring the economy will be related to developing the country's natural assets—tourism, communications, and agriculture.

At present the government is diligently acting to **transform the existing state companies** into one-man and shareholding associations. I must point out that sometimes it is exceptionally difficult to coordinate the requirements of all interested sides—the collectives, administrations, and trade unions. We must analyze what has been done until now in the process of restructuring the enterprises. Thus we will create conditions to

prevent a conflict between the next steps in the sphere of demonopolization and the future law on privatization.

We deem it necessary to create conditions for gradually reviving housing construction through privatization and a strong decentralization of existing construction companies. We think that the housing needs of the basic part of the population must be satisfied by the free market. It is the task of the government to work out a system of financial and credit benefits for citizens with limited ability to pay. These benefits must not be based on the budget but on a special housing-compensation fund as well as on the financial assistance of the municipalities in creating a stock of municipal apartments for rent. The law that was adopted by the Grand National Assembly is inapplicable and so we submitted a draft amending it.

I must point out that the economic change is closely related to the organization of the state, i.e. the **preservation of public order**. In this context the situation is alarming.

The government is seriously concerned about the increase in crime. In the last two days alone there were three murders, one attempted murder, two rapes, two robberies, three cases of arson, 112 cases of stealing communal property, and 133 cases of stealing private property throughout the country.

These unpleasant facts concern every honest Bulgarian citizen. The government needs the moral support of the entire nation in constructing a strong and authoritative police. However, in addition to the fact that we inherited enhanced criminal activity, economic and financial crimes are also acquiring dangerous proportions. This criminal activity is also taking on new forms.

We can no longer ignore the fact that it is not regularly organized criminal activity that we are confronted with, but that a mafia is active in Bulgaria, which has succeeded in penetrating the structures of the government and is striving to achieve political influence. We believe that this Bulgarian mafia maintains relations with international criminal organizations.

Large scale financial and stock market operations, laundering "dirty" money, and transferring abroad large amounts of money related to financial deals that never took place are evident. The contraband export and import of weapons and strategic raw materials has greatly developed. One notes cases of state and municipal companies being deliberately led toward bankruptcy. There have been cases of companies being formed by persons who by law are not entitled to do so because they are currently employed by the Ministries of Internal Affairs and Defense. In this way the foundations of the **national security institutions** are being destroyed, and private business compromised.

It must be pointed out that at the same time the court and the Prosecutor's Office do not react effectively to the situation. The problem is of both an organizational and personnel nature and the government will act in both

directions. We believe that some of the problems will be resolved with the application of the Law on Amending the Law on the Supreme Judicial Council. A Law on Amending the Law on the Ministry of Internal Affairs has been adopted by the government and submitted to the National Assembly. A change of the structure of the Ministry of Justice is under way.

The government intends to adopt other radical measures. The control over arms deals and the sale of strategic raw materials will be enhanced. A government commission on capital exported and companies with state participation that have been formed abroad is in the process of being set up. It is necessary to intensify the control of the Bulgarian National Bank over the operations of the other commercial banks in connection with the export of capital and control at customs checkpoints.

Along with some corrupt employees in the Ministries of Internal Affairs and Defense, there also are honest people who carry out their duty and act in a responsible manner. The nation must show more respect for such employees, because we all need strong national institutions, especially in the field of security. Despite the years of dictatorship many of these employees preserved their attitude of observing the law and being loyal not to a particular party but to the interests of Bulgaria. One recalls what a capable and patriotic fighter-pilot said recently: What nomenklatura member am I? Does anyone think that when I had a difficult flight I carried Todor Zhivkov's portrait in my cockpit?

Resolving those problems is important not only for the country's internal stability. Bulgaria's development in the next few years is unthinkable outside the context of **international relations** in which Bulgaria is seen both as an economic partner and as a country that has broken away from communism and is striving to become a member of the family of civilized countries. If Bulgaria is to save some time and become a member of democratic Europe as soon as possible, it must emerge as an island of prudence and stability in the Balkans, against the background of the shocks experienced by the other former communist countries. Both the efforts of President Zhelev until now and the work of the present government are aimed at the consistent Europeanization of Bulgaria, which is unthinkable without the Europeanization of the Balkans and without internal stability.

The government is already holding consultations on our association with the EC and our goal is to conclude the talks by signing a treaty with the EC within several months. Toward the end of March we shall probably begin to participate in the work of the Council of Europe. Thus our enduring association in European structures will begin.

Bulgaria's European attitude toward its Balkan policy is another guarantee of our right of association in Europe. We have relinquished all territorial claims toward our

neighbors and are seeking every way to establish good-neighborly relations in the Balkans. We have recognized the right of each state to self-determination if its population expresses its wish for this in a democratic way. Total openness and rejection of collusion and alliances is a basic principle of our policy that the democratic states value highly.

We have already declared that Bulgaria will always be accessible to foreign observers because our intentions are pure.

When the final deadline—15 January—expires, we will begin to recognize the states that have newly emerged on the territory of former Yugoslavia, if they meet the criteria posed by the EC. This applies to the republics of Macedonia, Slovenia, and Croatia. Simultaneously, we believe that when the remnants of communism and the Cold War are eliminated, the nations that are close from a geographic and ethnic point of view will overcome their mutual alienation and thus we should gradually come closer also to the Serbian people, whose neocommunist leadership continues to be a source of problems in the Balkans.

Let us remember that after World War II the European peoples decided to forget their old conflicts and in their place constructed cooperation and prosperity.

Naturally, these are only some aspects of our foreign policy. Europe is the most significant point of reference of our foreign policy. Let us not regard this as a trite slogan, regardless of how often we repeat it, because when we invoke Europe we say no to communism and yes to democracy, no to hatred and yes to prudence, no to poverty and yes to prosperity. Naturally, these beautiful words could be seen as inappropriate in Bulgaria's present situation by all those who suffer deprivation and are making a great effort to survive. However, we are like the Jewish people after the Exodus. We have crossed the Red Sea and we are heading toward the Promised Land, but first, we must complete the strenuous journey through the desert. Sometimes we will be very tired and will want to stop and leave everything. This will only confuse us even more and will increase the difficulty, because there is no way back. Today we need the same firmness and strenuous drive through the desert the Jewish people had. The government is prepared to assume its responsibility throughout this difficult journey. We expect your support.

Dimitrov Assesses 1991, Previews 1992

AU0701190392 Sofia DEMOKRATSIYA
in Bulgarian 29 Dec 91 pp 1, 3

[Interview with Prime Minister Filip Dimitrov by Stoyana Georgieva; place and date not given: "A Cause Is Always More Than the Sum Total of People Who Participate in It"]

[Text] Despite the fact that the political calendar has its own dynamics and seldom coincides with the astrological one, the end of the year is a traditional reason for drawing up a balance, forecasts, and commentaries. One year ago the Union of Democratic Forces [SDS] was in opposition, but in the last two months it has been in power. One year ago Filip Dimitrov was in the Green Party leadership, but today he is chairman of the SDS Coordinating Council and prime minister. Those are the outlines of the past year, which for our country was equal to an epoch. How is the situation beyond the formal conclusions and how do things look from inside? Filip Dimitrov, singled out as the politician of the year for 1991, shared with us his opinion about the events.

[Georgieva] How would you generally describe the situation in the SDS one year ago, when you assumed the post of chairman of the SDS National Coordinating Council?

[Dimitrov] I assumed this post under somewhat dramatic circumstances. It appears that after elections local structures tend to undergo a shock and changes begin. In addition, after elections the emphasis is on forming a coalition and developing interparty relations. In comparison, before elections one tends to obliterate differences in order to achieve unity of action. This was the situation six months after the elections, precisely when a process of consolidation was expected to begin. Indeed, I would say that for one year the SDS implemented a large part of what we thought its tasks are. Now we have found out that there also are other tasks, which we ignored before.

[Georgieva] How would you describe the SDS' problems today?

[Dimitrov] The problem of the SDS has always been in its dual character, namely, in the fact that on the one hand it is a coalition structure, while on the other, the people have the feeling they belong to the SDS as a whole. Indeed, the people who vote for the SDS without being active members feel the same way. This always forces us to search for diagonal decisions.

Naturally, now the SDS has new problems. Assuming power is not a simple matter. To a certain degree this means that some of its structures are relieved of certain functions. Until now the SDS and its structures, most of all the National Coordinating Council, had a decisive role in anything related both to the union's policy and its organization. At present, with the party's participation in all levels of the government, the emphasis seems to be on the organizational part. On the other hand, this is related to clarifying the parameters, and occasionally, it is difficult to clarify mutual relations and determine who is responsible for what.

The new government took over the leadership of a country in which a storm was raging. That storm is the result of the collapse of the communist economic system. The last government's hands were tied by the half measures of the Grand National Assembly. Inflation was

curbed, but even today there are some hotbeds of inflationary pressure related to problems of income and employment. Forecasts show that in 1992 we can expect a monthly increase in retail prices by 3.5 percent. The economically unjustified claims of the trade unions are provoking a race to increase wages and this is something that will inevitably slow down the reform and undermine our frail stabilization. The government is firmly determined not to give in to any pressure in that direction. This would only temporarily postpone the problems. Afterward, it would be much more painful and expensive to solve them. We understand how difficult the life of most people in Bulgaria is. At the same time, we understand that an increase of wages and pensions today or tomorrow would mean new price increases and even greater poverty. It suffices to point out that paying a 13th month's pension, something that was the subject of much talk recently, would mean, for example, a cut of the health care budget by 25 percent. This would be a blow against all, and first of all, against the pensioners themselves. On the other hand, the government spends incredible amounts of money subsidizing unprofitable production. For example, some of the enriched ores produced in Bulgaria are 2.5 times more expensive than those on the world market. Obviously, if we want to develop a profitable economy this must stop. In 1991 production probably dropped almost 24 percent. This is mainly related to the past regime's ideological penchant for heavy industry. However, more than a third of the country's economic potential is in branches and industries in which we have no comparative advantages over other countries. Today those branches must painfully fold in order to facilitate the country's real economic potential for healthy growth. On the other hand, closing those productions will increase unemployment, which is high as it is. By the end of December 1991 we had 414,342 registered unemployed. That is 10 percent of the economically active population. However, the fall in production is significantly slower than the increase in unemployment. Now there are 41 unemployed for every available job in the country. However, competition for jobs has still not had a positive impact on production. The government posed itself the task of conducting an active policy in the labor market by diversifying requalification opportunities, providing updated information on available jobs, and stimulating the creation of such jobs. The labor exchanges must provide jobs and not social relief.

This raises the question about the measures to increase production, obtain greater profit and income from taxes, or in other words, obtaining more money, which the state could redistribute. However, this does not mean a tax increase. On the contrary—the government is preparing a package of normative laws to change the tax system, create social security and health care funds, and introduce value added tax. Those laws should be adopted by the middle of the year and go into effect at the beginning of 1993. This does not mean that throughout this period taxes will remain unchanged. Some partial measures related to facilitating the activity

of private producers could be introduced in March or April. Our aim is to reduce inflationary pressure in the country and create conditions for gradually reducing interest rates and then—taxes.

We intend to adopt decisions at government level after consultations with representatives of private business. We will stimulate such contacts. We also intend to submit a bill on amending the Law on the Banks with a view to introducing securities.

It is a fundamental truth that **privatization** is the basic principle for increasing production.

We assume that in 1992 privatization will bring a turning point in economic policy. Privatization needs an appropriate macroeconomic framework, which includes expanding credit activity, maintaining relatively stable prices, and blocking the financial claims to the budget on the part of certain social groups. By the end of the year we expect parliament to adopt the Law on Transforming State Enterprises, which will open the road to small privatization, especially in trade. A Law on Privatization has been submitted, and the government continues to discuss it.

Fellow Countrymen; we realize that with privatization many people could make a dishonest profit. However, we do not want to retreat from the principle that the best distribution is done by the market. Therefore, the government introduced a bill on amendments and addenda to Article 3 of the Law on Citizens' Property, on the basis of which much of the illegal income, or means of participating in the privatization, could be established. Next month we expect parliament to adopt bills on restitution, which will facilitate the restoration of the economic possibilities of those whose property was forcefully seized by the state. Naturally, this does not mean absolute justice or absolutely equal possibilities. The issue is to limit the damage, in other words, to make sure that those who cannot become owners can work under better conditions and obtain higher incomes. Bulgaria needs a middle class. This means both people with small businesses and well-paid workers and employees.

The issue of restitution and privatization in the cities is closely related to **restoring ownership of agricultural land**.

Practically nothing was done in this area last year, despite the fact that the Land Law was adopted. The government has already introduced a draft amending the Law on Owning and Utilizing Agricultural Land. The restitution of land involves many difficulties. However, we understand that if it is not implemented by the end of spring, another year will be missed. I do not want to talk about the chaotic creation of structures to serve this law. I would only like to stress that, along with the legislative initiative, the government will do what is necessary and change the organs related to the application of this law within two months. Thus, we will attempt to return the land to most of the owners by the end of the spring. A project for financing and assisting owners who have

received their land has been worked out within the framework of the PHARE [Economic Reconstruction Aid for Poland and Hungary] program of the EC.

Attracting foreign investment in both agriculture and industry will be one of the basic tasks of the government. Probably by 20 January the National Assembly will adopt a law on foreign investments, and thus stimulate them in Bulgaria. The concern that Bulgaria could be "bought up" by foreigners is unjustified. The projects that could possibly be financed or sold are not many in number and the influx of investments to the country is not that great. It suffices to point out that the former government issued one permit for foreign investment, and the relevant commission of the government I lead—only 12. You can understand that Bulgaria is a long way from being sold out. However, foreign investments could be a catalyst for developing the Bulgarian economy, improving its organization, introducing modern management, investing capital, attracting know-how, developing new jobs, and securing foreign markets. It suffices to point out that, with the collapse of the Soviet economy, Bulgaria practically lost one of its basic trading partners. This was a cruel blow to our entire economy. It obliges us to search for new solutions by restructuring production and guaranteeing the market for foreign investments. The government sees activating exports and orienting our economic development toward exports as a basic driving force for growth.

The foreign debt is one of the new government's main problems. This debt significantly surpasses the GNP of the country. This fact forced the government to seek the support of the G7 group and the international financial institutions. By the end of January the government intends to propose to the National Assembly a framework draft for reaching a long-term agreement with the bank-creditors that will include measures to significantly reduce the debt and reschedule the rest in a way that corresponds to our possibilities. We aim to conclude such an agreement by the end of this year. This will be beneficial for the development of our foreign economic contacts and increasing employment and market opportunities. However, one way or another, the burden of the debt accumulated by the communist government will fall on the shoulders of the Bulgarian taxpayers, albeit in a reduced form.

The heritage left us by the communist government is not confined to the foreign debt. **Our power supply system**, which is the result of an imprudent and one-sided policy, compels us to work without a capacity reserve and forces us to depend on a few foreign sources. The structure of our power consumption places us among those countries that most efficiently waste their power resources. It is unrealistic to expect that a new power supply system could be worked out within two-three months. During the winter months the government will resolve the power supply problems "piece by piece"—through additional expenditures and efforts, and by securing aid from abroad. Work during the current year, especially after

the separation or concentration of the economic functions of power supply in the newly created power supply companies, and the separation of economic functions from state functions, will take place in three directions—guaranteeing the safety of the nuclear power supply system and developing parallel power sources such as natural gas; seeking new partners for the supply of energy raw materials; and creating conditions for introducing energy-saving technologies. In this sphere too we will need credits and assistance and the government's task will be to act in this direction.

The government also inherited an obsolete and profoundly wrong **ecological policy**. Today we are beginning to change many things. A draft on amendments and addenda to the Law on Protecting the Environment has been prepared. We are working diligently on all other environmental protection laws. The first financial-economic mechanisms for managing ecological policy—taxes on utilizing natural resources and polluting the environment—will be introduced within one month. We will do everything possible to accelerate the signing by the end of the year of two conventions that are very important for us—on preserving the Black Sea and on ecological cooperation in the Balkans. We expect assistance in protecting the environment from the international financial institutions.

The priorities in the government's economic activity in the context of restructuring the economy will be related to developing the country's natural assets—tourism, communications, and agriculture.

At present the government is diligently acting to **transform the existing state companies** into one-man and shareholding associations. I must point out that sometimes it is exceptionally difficult to coordinate the requirements of all interested sides—the collectives, administrations, and trade unions. We must analyze what has been done until now in the process of restructuring the enterprises. Thus we will create conditions to prevent a conflict between the next steps in the sphere of demonopolization and the future law on privatization.

We deem it necessary to create conditions for gradually reviving **housing construction** through privatization and a strong decentralization of existing construction companies. We think that the housing needs of the basic part of the population must be satisfied by the free market. It is the task of the government to work out a system of financial and credit benefits for citizens with limited ability to pay. These benefits must not be based on the budget but on a special housing-compensation fund as well as on the financial assistance of the municipalities in creating a stock of municipal apartments for rent. The law that was adopted by the Grand National Assembly is inapplicable and so we submitted a draft amending it.

I must point out that the economic change is closely related to the organization of the state, i.e. **the preservation of public order**. In this context the situation is alarming.

The government is seriously concerned about the increase in crime. In the last two days alone there were three murders, one attempted murder, two rapes, two robberies, three cases of arson, 112 cases of stealing communal property, and 133 cases of stealing private property throughout the country.

These unpleasant facts concern every honest Bulgarian citizen. The government needs the moral support of the entire nation in constructing a strong and authoritative police. However, in addition to the fact that we inherited enhanced criminal activity, economic and financial crimes are also acquiring dangerous proportions. This criminal activity is also taking on new forms.

We can no longer ignore the fact that it is not regularly organized criminal activity that we are confronted with, but that a mafia is active in Bulgaria, which has succeeded in penetrating the structures of the government and is striving to achieve political influence. We believe that this Bulgarian mafia maintains relations with international criminal organizations.

Large scale financial and stock market operations, laundering "dirty" money, and transferring abroad large amounts of money related to financial deals that never took place are evident. The contraband export and import of weapons and strategic raw materials has greatly developed. One notes cases of state and municipal companies being deliberately led toward bankruptcy. There have been cases of companies being formed by persons who by law are not entitled to do so because they are currently employed by the Ministries of Internal Affairs and Defense. In this way the foundations of the **national security institutions** are being destroyed, and private business compromised.

It must be pointed out that at the same time the court and the Prosecutor's Office do not react effectively to the situation. The problem is of both an organizational and personnel nature and the government will act in both directions. We believe that some of the problems will be resolved with the application of the Law on Amending the Law on the Supreme Judicial Council. A Law on Amending the Law on the Ministry of Internal Affairs has been adopted by the government and submitted to the National Assembly. A change of the structure of the Ministry of Justice is under way.

The government intends to adopt other radical measures. The control over arms deals and the sale of strategic raw materials will be enhanced. A government commission on capital exported and companies with state participation that have been formed abroad is in the process of being set up. It is necessary to intensify the control of the Bulgarian National Bank over the operations of the other commercial banks in connection with the export of capital and control at customs checkpoints.

Along with some corrupt employees in the Ministries of Internal Affairs and Defense, there also are honest people who carry out their duty and act in a responsible

manner. The nation must show more respect for such employees, because we all need strong national institutions, especially in the field of security. Despite the years of dictatorship many of these employees preserved their attitude of observing the law and being loyal not to a particular party but to the interests of Bulgaria. One recalls what a capable and patriotic fighter-pilot said recently: What nomenklatura member am I? Does anyone think that when I had a difficult flight I carried Todor Zhivkov's portrait in my cockpit?

Resolving those problems is important not only for the country's internal stability. Bulgaria's development in the next few years is unthinkable outside the context of **international relations** in which Bulgaria is seen both as an economic partner and as a country that has broken away from communism and is striving to become a member of the family of civilized countries. If Bulgaria is to save some time and become a member of democratic Europe as soon as possible, it must emerge as an island of prudence and stability in the Balkans, against the background of the shocks experienced by the other former communist countries. Both the efforts of President Zhelev until now and the work of the present government are aimed at the consistent Europeanization of Bulgaria, which is unthinkable without the Europeanization of the Balkans and without internal stability.

The government is already holding consultations on our association with the EC and our goal is to conclude the talks by signing a treaty with the EC within several months. Toward the end of March we shall probably begin to participate in the work of the Council of Europe. Thus our enduring association in European structures will begin.

Bulgaria's European attitude toward its Balkan policy is another guarantee of our right of association in Europe. We have relinquished all territorial claims toward our neighbors and are seeking every way to establish good-neighborly relations in the Balkans. We have recognized the right of each state to self-determination if its population expresses its wish for this in a democratic way. Total openness and rejection of collusion and alliances is a basic principle of our policy that the democratic states value highly.

We have already declared that Bulgaria will always be accessible to foreign observers because our intentions are pure.

When the final deadline—15 January—expires, we will begin to recognize the states that have newly emerged on the territory of former Yugoslavia, if they meet the criteria posed by the EC. This applies to the republics of Macedonia, Slovenia, and Croatia. Simultaneously, we believe that when the remnants of communism and the Cold War are eliminated, the nations that are close from a geographic and ethnic point of view will overcome their mutual alienation and thus we should gradually

come closer also to the Serbian people, whose neocomunist leadership continues to be a source of problems in the Balkans.

Let us remember that after World War II the European peoples decided to forget their old conflicts and in their place constructed cooperation and prosperity.

Naturally, these are only some aspects of our foreign policy. Europe is the most significant point of reference of our foreign policy. Let us not regard this as a trite slogan, regardless of how often we repeat it, because when we invoke Europe we say no to communism and yes to democracy, no to hatred and yes to prudence, no to poverty and yes to prosperity. Naturally, these beautiful words could be seen as inappropriate in Bulgaria's present situation by all those who suffer deprivation and are making a great effort to survive. However, we are like the Jewish people after the Exodus. We have crossed the Red Sea and we are heading toward the Promised Land, but first, we must complete the strenuous journey through the desert. Sometimes we will be very tired and will want to stop and leave everything. This will only confuse us even more and will increase the difficulty, because there is no way back. Today we need the same firmness and strenuous drive through the desert the Jewish people had. The government is prepared to assume its responsibility throughout this difficult journey. We expect your support.

[Georgieva] Could it be said that the present SDS is composed of people who are in the so-called "third wave?" Is it a paradox that people who founded the SDS remained outside its structures?

[Dimitrov] A cause and an organization always are more than the sum total of the people who participate in it. Let us not forget that Lafayette and Abbot Sieyes were among those who started the French Revolution and who became its opponents at a certain moment. Thus it appears that every process of change is initially moved by a large group of people, some of whom are closer to the old factors and others who are far away from them. Naturally, the people who initially become dominant are those who were closer to the old structures, and not all of them succeed in overcoming this closeness. There is nothing insulting or bad in this. Simply, this is how the historical process takes place.

[Georgieva] In other words, this is not a paradox but the normal course of events?

[Dimitrov] Yes.

[Georgieva] Until when will you be both prime minister and chairman of the SDS Coordinating Council?

[Dimitrov] For as long as it is necessary.

[Georgieva] Do you share the opinion that there is a strong political polarization in Bulgaria and if so, what do you propose to do in order to overcome it?

[Dimitrov] The political polarization itself develops from the great difference in the approaches toward resolving the problems. In other words, it springs from the existence of mutually exclusive alternatives, supported by different people. I hope that in the process of change that is taking place in Bulgaria, polarization of the alternatives will be softened, because we started from the alternatives of democracy or communism. Naturally, those alternatives are self-excluding and lead to the polarization of the people who commit themselves to them. Gradually, communism and the communist way of life, structuring society and dominating its processes, stop being an alternative. Then the polarization will begin to disappear. However, this is a long process. The means of overcoming the polarization are related to the social changes, implementing the market economy, and asserting the democratic institutions. In a way we are at the dawn of those changes. Naturally, it is completely understandable that those democratic institutions do not evoke sufficient confidence, thus people are attracted to the old chimeras.

[Georgieva] What is your forecast for 1992 in Bulgaria?

[Dimitrov] I hope that it will be a year in which progress will be stable in manner and during which there will be no sharp social clashes. I think that we have a reason to hope that this will really happen. I hope that 1992 will be a year in which the people will start to gradually withdraw from purely political activities and will direct themselves toward other kinds of activity. In the final account, politics is an inevitable element of social life. The more unresolved problems there are, the greater space politics occupies. I hope that by the middle of the year we will start to feel that the problems are beginning to be solved. This will mean that many people will feel committed less to politics and more to literature, business, or something else, like perhaps the family.

However, before the middle of the year we must pass through the elections and give Bulgaria a worthy president. It deserves this. It would be natural to elect Dr. Zhelev, and I am convinced that he will be elected. This means that a good president will be elected with an excellent image in the world. This will be a new proof of Bulgaria's stability and democratic development.

Defense Minister Addresses Military Academy

*AU1401140392 Sofia BULGARSKA ARMIYA
in Bulgarian 8 Jan 92 pp 1,4*

[Major Krasen Buchkov report on a meeting of Dimitur Ludzhev, minister of defense, with the Senior Commanding Staff of the Military Academy in Sofia; date not given: "The Changes Are Painful, But Necessary"]

[Text] The minister of defense categorically declared that structural changes in the Army are more than necessary, they are urgent. The former structure was aimed at totally different goals and performed totally different functions. It was part of an ideological concept that no longer exists. Nothing can be patched up with the

remnants of the old structures. In the interest of the changes it is currently necessary to adapt some foreign experience. We should build a Bulgarian Army which is up to the strength and capabilities of the Bulgarian people. It should be a more efficient army, but not on the basis of inflated staffs and bureaucracy.

In addition to the organs of the moral-psychological training, and certain departments of the KMTTO [expansion of abbreviation unknown], the structures of the military counter-intelligence are most likely to be cut back. They were used for political control over the Army for a long time. Today it is no longer admissible to pursue the activities of an agents' network, to violate civil rights, and divide people into privileged and under-privileged people.

Military departments in the municipalities are no longer necessary, the minister further stated. The number of military administrative offices in various inhabited settlements amounts to approximately 270 and part of the staff on the payroll may be subject to personnel cuts.

For the time being we are working on a new payroll system in the Army that is likely to specify certain new jobs that are expected to be introduced. There will be certain jobs only for civilians and those only for military personnel, but also some positions which can be occupied by the military and civilians alike.

The minister also answered a question asked by the deputy commander of the Khristo Botev Reserve Officers School, namely whether the school is supposed to exist also in the future. It is not only envisaged to close down the school, but also to change the entire cycle of officers, sergeants, and soldiers' training. The structures for the training of reserves officers will continue to exist, but competent experts are expected to pronounce themselves on whether this should be done in a special school, or according to some other method. In case the Pleven school is closed down, the existing premises and facilities are expected to be used in the most efficient way. These premises might be used for the basic training of the soldiers, who are supposed to serve 12 months, or they may be used for the re-training of sergeants. Some units that are close to the border today might be transferred to larger cities, and so forth. The majority of the qualified command staff of the aforementioned reserve officers' school might be used in accordance with the new circumstances. The new cadets might be recruited in March, so that the new cycle of Army Officers transfers might be completed by January 1992.

Approximately 40 percent of the rehabilitated officers working in the military scientific institutes are expected to retire from the Army. This was an answer to Colonel Velkov's question. It was explained that even if we should put aside the question of how the rehabilitation proceeded prior to 10 November 1989, changes are certainly required in the aforementioned institutions. There is work for both civilians and the military in the institutes in question, and therefore an officer who has

retired from active military service has an opportunity to continue work in a military scientific institute as a civilian.

Mr. Mingov, on the minister's behalf, provided explanations on the basis of written instructions for a question asked by Major General Yankulov about whether officers who are already retired after completing the age of 50 are legally entitled to work elsewhere and receive both salary and pension. According to Mr. Mingov, this right is granted to every retired army officer on the basis of Bulgarian legislation. There is even more: The Ministry of Defense is preparing additional documents promoting favorable opportunities for army officers to pursue careers in civilian life after retirement from active military service.

Ludzhnev's 'Experiment' in Army Criticized

AU0801160692 Sofia DUMA in Bulgarian
31 Dec 91 p 1

["DUMA PRESS" report]

[Text] A brilliant national experiment in incompetence is now being conducted in the Bulgarian Army, whose combat readiness has never before been in such a poor state. Dimitur Yonchev, spokesman of the Parliamentary Union for Social Democracy, stated this on 30 December.

Major changes are being made that have not been coordinated with the Parliamentary Commission on National Security, Dimitur Ludzhnev said. Servicemen on whom the Army depends for its combat efficiency are being dismissed, and military counterintelligence has been seriously damaged. At the same time, the political leadership is being irresistibly expanded by the addition of civilians without connections with the Army. Maybe this is what they mean by the phrase "developing a professional army," the spokesman supposed.

Minister Ludzhnev's aim to purge the Army's ranks of communism is all very fine, Yonchev said, but the point is, who will be responsible for combat readiness during this period. He hoped that the enemy will show understanding that at the moment the Bulgarian Army is being democratized and cannot concern itself with defense.

Yonchev commented that the impossibility of a military coup today is clear to every schoolboy, but not, apparently, to Minister Ludzhnev.

Prime Minister Outlines Economic Policy

AU1001163392 Sofia BTA in English 1458 GMT
10 Jan 92

[Text] Sofia, January 10 (BTA)—Prime Minister Filip Dimitrov today answered questions put by MP's of the opposition concerning different aspects of the cabinet's policy. On January 6 the prime minister made an address to the nation in which he set forth the main problems and the intentions of the government. In his

statement today the prime minister focused on the economic policy of his cabinet.

Mr. Filip Dimitrov repeatedly stressed that many of the measures which the government intends to take are related to the respective legislation which parliament is expected to pass. He pointed out that in its economic policy the government will prioritize privatization, the restructuring of the economy and the closing down of unviable enterprises and productions.

In privatization the government will proceed from the market principle providing guarantees against transforming dirty money into property, Mr. Dimitrov said. He drew the MP's attention to the fact that the process of restitution will make it possible for a certain category of citizens to take part in the process of privatization. Of the two submitted privatization bills—by three MP's of the Union of Democratic Forces (SDS) and by the faction of the Bulgarian Socialist Party (BSP), the prime minister said he preferred the bill of the SDS.

But he also stressed the necessity for parliament to discuss the government's bill on small privatization. Its passage would enable the government to work for the structural adjustment of the economy and to start privatization, Mr. Filip Dimitrov said.

As regards the relations between the government and the trade unions, the prime minister said that the government will consider the stands of the trade unions but will not yield its executive powers and will take its decisions depending on whether the demands of the trade unions are justified or not.

The prime minister also stressed that the defence minister's order for personnel cuts in the Army and the structural changes which are taking place there are in conformity with the law.

SDS MP's Discuss Privatization Act

*AU0801150392 Sofia BTA in English 1359 GMT
8 Jan 92*

[Text] Sofia, January 8 (BTA)—According to lawyer Georgi Markov MP of the Union of Democratic Forces (SDS), the major problem in privatization is whether to start with a Comprehensive Privatization Act or with the passage of a separate Act on Small Privatization. Even the MP's [members of parliament] of the SDS are divided on the question.

SDS legal experts and economists discussed possible ways of starting privatization at a special meeting a few days ago. According to SDS floor leader Aleksandur Yordanov, the parliamentary SDS advocates the idea of a Small Privatization Act passing by the end of January to open the way for the fast privatization of the food industry, tourism and trade. Mr. Georgi Markov declined to comment on the Small Privatization Bill introduced by the cabinet. It is far from perfect but it could be passed with certain improvements in the course

of debates because a Comprehensive Privatization Act would take much time, he said. According to Mr. Markov, parliament cannot pass a large privatization act earlier than the end of February, while many other experts believe its passage might take more than six months. It poses much more complex problems and there will be lengthy debates especially over the mechanisms of privatizing big enterprises, Mr. Markov said.

Economist Asen Michkovski, chairman of the National Assembly Economic Committee, believes that if the cabinet's Small Privatization Bill passes, the result will be loose control and corruption. Mr. Michkovski is one of the three MP's of the SDS who submitted another Privatization Bill and is an economic expert of the Podkrepa Labour Confederation.

Mr. Michkovski believes that under the cabinet's bill, the government and the Ministry of Industry and Trade in particular would take over full responsibility for the administration of state property. The passage of the cabinet's bill would absolutize tenders and competitions as the only forms of privatization, according to Mr. Michkovski. He insists on the passage of a Comprehensive Privatization Act.

Earlier this week a special expert commission of MP's started working out a stand on the matter.

Figures Indicate Rise in Unemployment

*AU1301144092 Sofia TRUD in Bulgarian
7 Jan 92 p 1*

[Mira Radeva report: "Some 420,372 Unemployed Compete for 10,008 Vacancies"]

[Text] On 6 January, the number of unemployed in the country stood at 420,372 and the number of job vacancies at 10,008. In comparison with the picture at the labor exchange 20 days ago more people have become unemployed in Sofia and the regions of Burgas, Varna, Lovech, Mikhailovgrad, and Plovdiv. Only 19 graduates have begun work during the last few days, and vacancies for them now stand at 1,829. However, in reality these vacancies are filled within three days, thus the figure cited has no meaning. The National Labor Exchange gives us hope—the number of graduates laid off has decreased and so has the number of specialists over the age of 40. More and more companies from the private sector are seeking the help of the employment offices to find experienced specialists. There is another worrying factor: Most of the people that find themselves unemployed do nothing and think that they are on holiday. They definitely show no interest in the possibility of gaining other qualifications or taking on jobs that do not correspond to their professional qualifications. However, the new owners of companies are not inclined to take on those people who have been unemployed for more than a month or two.

1991 Figures on Decreasing, Aging Population

AU0801165892 Sofia DEMOKRATSIYA
in Bulgarian 31 Dec 91 p 2

[Ventsislav Asenov report]

[Text] The specialists of the National Statistical Institute claim that this year Bulgaria set a world record with a negative natural growth in population of 8,960. The birth rate was 10.8 per thousand, and continues to fall. Sex "without consequences" is most widespread in Sofia, where only 9.4 babies were born per thousand members of the population. During 1991, 94,424 babies were born, 1,960 fewer than the number of deaths recorded. Particularly alarming is the infant mortality rate; in 1991 it reached 16.7 per thousand, approaching the figures recorded in third world countries.

The Bulgarian nation is aging. According to the statisticians, the average Bulgarian is already 37 years old. The 40-45 year age group is the largest, due to the demographic explosion in the postwar years.

However, the general view is that we will not see a repetition of this phenomenon—the economic crisis has still not released us from its grasp. The difficulties have led to a decrease in the number of marriages—only 5.6 persons in every thousand dared to start a family.

According to the forecast, Bulgaria will enter the new year with a population of 8,980,205. This figure includes our compatriots who are abroad, whose exact numbers cannot be established. Despite the inadequate data, it is noted that the migration processes are abating.

Production in a number of sectors is also falling at rates ranging from 40 to 80 percent, compared with last year. Only the alcohol, tobacco, and printing industries are relatively stable.

Apart from adequate quantities of plum brandy, cigarettes, and newspapers, the following amounts of products were manufactured per capita during 1991: 10.5 kg of white cheese, 2.7 kg of yellow cheese, 5.5 liters of wine, 32 kg of meat, and 159 loaves of bread. Not much, but enough for elderly folk, is it not?

National Budget Implementation Decree Adopted

AU1301190192 Sofia BTA in English 1830 GMT
13 Jan 92

[Text] Sofia, January 13 (BTA)—The Council of Ministers today adopted a decree on the implementation of the national budget until its passage by the National Assembly. The decree will make it possible to carry on public finance even though the 1992 budget is not expected to be ready before the end of March. According to the decree, between January 1 and March 31, 1992 revenues will be collected within the periods, in the amounts and according to the procedure established by tax legislation and other statutory acts and the budget allocations excluding the municipality budget will be

disbursed in monthly portions equivalent to one-twelfth of the 1991 expenditures with allowance for the increased wage and pension levels.

Land Reform Applies to Citizens Abroad

AU1401082292 Sofia ZEMEDELKSO ZNAME
in Bulgarian 8 Jan 92 p 1

[ZEMEDELKSO ZNAME staff report]

[Text] The National Assembly Permanent Commission on Agriculture restored the constitutional right of property ownership for Bulgarian citizens living abroad, which was affected by the current legislation. The proposal that such citizens should, within an 18-month deadline, delegate the state, the respective municipality, or other Bulgarian citizens to manage their land, in case they do not wish to use it for farming purposes, was rejected. At its first session of 1992 the Permanent Commission on Agriculture examined the bill on amendments to the Law on the Land. The law was renamed the Law on Restoring the Property and Use of Farming Land. The commission continues its work today.

BSP Adopts Socioeconomic Policy Resolution

AU0801160592 Sofia DUMA in Bulgarian
29 Dec 91 p 5

["Resolution of the 40th Congress of the Bulgarian Socialist Party on Socioeconomic Policy," adopted in Sofia on 16 December]

[Text] The Bulgarian Socialist Party [BSP] supports changing the economic system and creating a social market economy. In the specific conditions prevailing in Bulgaria, the economic reform should be combined with effective measures to stabilize the economy and ensure a speedy emergence from the economic crisis. The social cost of the reform should be as low as possible and acceptable to society.

However, we cannot support the manner in which the SDS [Union of Democratic Forces] economic team started the economic reform, especially the direction that the present cabinet is taking it. We reject ideologizing the economic reform that accompanies the legislative initiatives of the government and the parliamentary majority of the SDS and that finds material expression in laws imposed by parliamentary dictate with an obvious right-wing retrograde character.

Now that a year has passed since the start of the economic reform, it is clear that the reform is not proceeding in conformity with the specific conditions of the Bulgarian economy and the situation in which the country finds itself. The measures of a purely monetary nature that have been adopted are clearly deepening the crisis, slowing the reform, and bringing the country close to economic collapse. Production is falling, the possibilities of the market are decreasing to a critical extent, and economic relations are breaking down.

The BSP considers that the mistakes made by the team managing the reform have made its social cost unacceptably high for the majority of Bulgaria's citizens. Proof of this is the scale of unemployment, inflation, speculation, and drastic impoverishment of the majority of households.

The government has begun and continues to carry out reforms without a clear and well-publicized program. However, Bulgarian citizens want to know the aims, stages, measures, and the sacrifices that they will make, in order to give their social support to the reform. Without such a program, it will also be impossible to restore the confidence of the international financial community, or to expect foreign investments in our economy.

The economic reform can also be carried out in a different manner. There is an effective alternative that can accelerate the stabilization of the economy and the evolution of the economic changes. The 40th BSP Congress once again stresses the main elements of this alternative:

1. In its practical activity, the BSP will defend its stand on the necessity to revive production by substituting policies of incentives for restrictive ones in the fields of taxation, interest rates, investment, foreign trade, and so on, by applying the following measures:

- reducing the general level of taxation for producers of goods and services;
- cutting the interest rate on credits, taking inflation into account;
- subsidizing part of the interest payments on credits in priority sectors, types of production, and activities;
- quickly and comprehensively settling the problem of the companies' debts, for which the companies themselves are largely not to blame;
- actively assisting companies to expand foreign markets;
- rapid development of the market infrastructure; and
- preferences for foreign capital that is invested in manufacturing, creates new jobs, or provides access to new technologies and markets.

The BSP advocates a policy of incentives for private business, especially in the sphere of production of goods and services, including allowing exemptions from taxation for the first few years.

The BSP demands that the state provide encouragement and regulation in priority fields that may become focuses for economic revival, such as farming and animal breeding, the infrastructure, tourism, and export-oriented branches of industry.

The BSP insists that agriculture be given real support and state encouragement, as is the case in all developed

countries, in order that it may more successfully adapt to market conditions. Agriculture has no need for new taxes, but it does need subsidized interest rates, state investments to develop a proper infrastructure that guarantees the purchasing, storage, and processing of produce and normal conditions for rural life.

The BSP advocates a real and large-scale revival and development of the various forms of cooperatives. We strongly protest against the attempts to discriminate against the Bulgarian cooperative by treating it as a joint stock company for tax purposes.

Our policy regarding ownership is clear, and it is in line with contemporary historical trends. We advocate a mixed economy, and are against absolute ownership by the state or the private sector. The market should be the sole criterion for assessing the effectiveness of the various forms of ownership.

Privatization forms a principal component of the economic reform. The replacement of the economic system and the development of a mixed economy is largely connected with privatization. We support a well-prepared and implemented privatization based both on market methods and on socially oriented schemes. Only thus can it become one of the main catalysts for producing efficient market structures and a mixed economy, creating a broad stratum of real owners and new economically active persons.

In order to win broad public support, privatization must be socially acceptable. The existing state property represents a unique stock of labor capital, a considerable portion of which should be handed over to the citizens of this country. With this purpose in view, we propose the following:

- Preferential conditions should be provided for the staff of the enterprises to purchase some of the shares at reduced prices.
- Part of the state property (up to 30 percent) should be granted free of charge to all adult citizens in the form of privatization bonds issued in their names for participation in the privatization (with some differentiation according to age).
- It is socially justifiable that some of the shares in the privatized state enterprises should be allocated to the future independent social security funds.
- The law must guarantee the consistent application of the requirement for proof of the lawful origin of the money used to buy state and municipal property.

3. The restitution issue is at the center of public attention. Manipulation of public opinion is increasing through insinuations that almost every second Bulgarian family expects the restoration of confiscated property (not including farmland). The truth is that only 2.5 percent of the population is affected. The SDS supports the full and real restoration of the old ownership titles to properties that still exist, and want full compensation to

be paid for properties that no longer exist in real form. The legislative implementation of these premises, which is already in progress, is leading to the restoration of the old economic and social structures of 50 years ago. The question of the future social structure and the differentiation of rich and poor is being prejudged in an unjust and unacceptable manner. At the same time, society is being burdened with paying tens of billions of leva in compensation, which is economically impossible and socially unacceptable.

In order not to hamper the reform and the privatization process, it is economically and socially justifiable to offer some compensation to the former owners and their heirs (the amount being differentiated according to a regressive scale, with a higher percentage compensation payment for the smaller property and the lowest percentage for the largest property). It is advisable to effect the compensation in the form of investment bonds, whose issue will be financed by the proceeds from privatization. A departure from this principle should only be allowed in the case of dwellings confiscated from the former owners and their heirs, who should be granted residential properties of equivalent value from the state or municipal housing stock in cases where an urgent housing need is proved.

4. The BSP strongly opposes the attempts to repeal the Law on Labor Land Ownership of April 1946 and to restore large farm estates in Bulgaria. This will hit the hundreds of thousands of agricultural workers who were given land in those years from the confiscated large estates. The amendments to the Law on Ownership and Use of Agricultural Land proposed by the SDS create a real danger of substantial amounts of Bulgarian land falling into foreign ownership. This cannot be permitted under any circumstances.

The proposal to abolish the right acquired by citizens to use the agricultural land granted to them under a number of legislative acts is economically senseless and socially harmful. It will give rise to well-founded disapproval and cause social tension. Millions of citizens will be affected who are not in any way at fault. The BSP will resolutely resist such an unconsidered step.

5. The BSP supports state protection for the socially disadvantaged. As a party of the working people, the BSP advocates the following:

- The speedy drafting and adoption of a program to combat unemployment, create new jobs, and retrain and assist the unemployed.
- The adoption by the National Assembly of the law on amendments and additions to the Labor Code, the employment act, the law on resolving social disputes and conflicts, and the law on the trade unions.
- A one-time increase in social insurance payments and social assistance and speedy adoption of the laws that will ensure the reform in the social insurance and social assistance field, that is, laws on social insurance, pensions, health care, social assistance, and social welfare.

The government should announce its anti-inflation policy and its measures to protect the standard of living and incomes of the various social groups during the period of transition to a market economy. This policy and the main measures in this field should be subject to the control of parliament and the public at large.

We demand the restoration and further improvement of the social partnership between the government, trade unions, and the employers.

The government should devote attention to providing assistance for families, stimulating the birth rate, protecting children, and protecting invalids and socially disadvantaged citizens, and separate legislation should be passed on these matters.

x x x

The BSP supports and will continue to support a policy and measures that assist the reform, fairly distribute the burdens of a transitioning market economy, and do not permit a socially unacceptable division of property that may lead to social confrontation. Such a policy can only be worked out and implemented on the basis of broad public consensus, and the BSP is prepared to work for this.

Dienstbier Signs Cooperation Treaty in Bucharest*AU1401084292 Bratislava NARODNA OBRODA
in Slovak 11 Jan 92 pp 1, 4*

[Peter Fridner report: "Relations Without Substantial Problems"]

[Excerpt] [passage omitted] The main event of CSFR Foreign Minister Jiri Dienstbier's visit to Bucharest, which lasted for less than 22 hours, was the initialing of a Treaty on Friendly Relations and Cooperation between the CSFR and Romania and the signing of a protocol on cooperation between the two countries' foreign ministries on Friday [10 January]. Thus, a considerable step forward was taken in establishing a legal basis for bilateral relations between countries that rid themselves of communist dictatorships at roughly the same time and that can also feel satisfied with their long tradition of mutual cooperation. As the two countries' representatives declared, the text of the treaty corresponds to the current norms of European diplomacy and covers virtually all spheres of activity.

The treaty devotes a great deal of attention to the issue of security, an issue that the Romanian side in particular considers especially important. For instance, in his interview with Jiri Dienstbier, President Ilescu pointed out that his country is situated between two hotbeds of uncertainty—the former Soviet Union and Yugoslavia. For example, Article 4 of the treaty states: "If a situation develops that, in the opinion of one side, may endanger its security or represent a threat to or a violation of peace, both sides will immediately establish contact and will strive to coordinate their positions." Article 5 stipulates that "in the event of armed aggression against one of the sides, the other side will provide no assistance to the possible aggressor and will not enable it to use its territory." In essence, this involves an expression of mutual solidarity between the two sides. However, this is still not a bilateral pact on mutual assistance.

At the joint news conference held by Ministers Jiri Dienstbier and Adrian Nastase a question was asked about the clause on military cooperation, the clause that is an element of Article 6. Minister Nastase explained that this involves routine cooperation manifested, for example, by visits undertaken by officers from the two countries' General Staffs and so on. It seems that these clauses have aroused a great deal of attention. [passage omitted]

Foreign Policy Official Remarks on SFRY Visit*LD1401103392 Prague CSTK in English 1602 GMT
13 Jan 92*

[Text] Prague Jan 13 (CSTK)—Czechoslovak presidential foreign policy assistant Alexandr Vondra said today that the international community must help the warring Yugoslav republics to establish peace as republican leaders are not able to come to agreement on their own.

Speaking to journalists after returning from talks held last week with leaders in Serbia, Croatia, Bosnia-Herzegovina, and Macedonia, Vondra said Czechoslovakia supports united nations plans to send peace-keeping forces to Yugoslavia. He said, however, it will take years for peace to be firmly established and interests between the republics to be resolved.

"The optimists (in Yugoslavia) predict it will take five years, pessimists say 20 years," Vondra said.

He said that while recognition of individual republics will on its own not resolve the crises, it can serve as a basis for further negotiations.

He said that Slovenia has fulfilled all requirements for recognition, but that Croatia, Bosnia-Herzegovina, and Macedonia must do more to ensure human and civil rights are protected on their territories before they can be recognised.

Vondra added that Czechoslovakia is interested in helping to rebuild Croatia after the war in Yugoslavia is over. Czechoslovakia could supply Croatia with cement, steel, textiles and glass, he said.

Slovenia, Croatia May Be Recognized 15 Jan*LD1401183692 Prague Stanice Ceskoslovensko
Radio Network in Slovak 1700 GMT 14 Jan 92*

[Text] Egon Lansky, spokesman of the Ministry of Foreign Affairs, said today that Czechoslovakia would most likely recognize Croatia and Slovenia tomorrow. In doing so it will act in keeping with the actions of EC and the Central European three: Czechoslovakia, Hungary, and Poland. The EC and its member states are due to recognize by tomorrow the Yugoslav republics that ask for it and that meet the criteria agreed at the summit meeting in Maastricht in December.

Dubcek Cites Differences Between Electoral Bills*AU1401130192 Prague CSTK in English 1704 GMT
12 Jan 92*

[Text] Alexander Dubcek, chair of the Federal Assembly, today talked to CSTK about the difference between the deputies' and President Havel's proposals for a new electoral law.

Dubcek noted that the deputies' bill would create a parliament composed of a Lower House and a Senate. Havel's bill, on the other hand, would have a single-chamber Federal Assembly, along with a Federal Council, gathering representatives of both the Czech and Slovak Republics.

Deputies and Senators would be elected directly in the deputies' proposal, while the members of Havel's Federal Council would be delegated by their respective national councils—the Czech and Slovak parliaments.

Also in the deputies' draft, the Senate would have a broader range of responsibilities than Havel's Federal

Council, as the senators, representing both republics, would have a direct role in the creation of laws.

Committees Discuss Police Work, Intelligence Law
AU1401085892 Prague LIDOVE NOVINY in Czech
11 Jan 92 p 3

["(jik, nel)"]-signed report: "Drugs, Terror, and Forgeries"]

[Text] Prague—Jan Ruml, federal deputy interior minister and director of the Federal Police Force, attended a session of the Federal Assembly Defense and Security Committees yesterday to explain the report submitted to the committees on the Federal Security Corps' activity.

Among other things, he stated that last year the Federal Police Force handed 73 criminal cases to republican prosecutors concerning drugs, terror, forgery, and criminal activity linked to international crime. It is still dealing with another 66 cases. Ruml described the detention of 13 Czechoslovak citizens and one FRG citizen in connection with disseminating narcotic and psychotropic substances and poisons on our territory as the biggest case involving the antidrug unit operating within the Federal Interior Ministry.

Regarding the recent theft of weapons at the Federal Police Training Center in Holesov, the deputy minister added that two special teams (one of which was set up specifically for this task) are dealing with this case. They will regularly assess the results of their investigation. "At the moment, everything indicates that the culprits came from the center," said Ruml.

The Constitutional and Legal Affairs Committees discussed the government bill on military defense intelligence (VOZ). The draft envisages that military defense intelligence will be a Federal Defense Ministry intelligence service. Providing intelligence protection against foreign intelligence services and confronting criminal activity directed against the constitutional system and the state's defense and security should come under its jurisdiction. The deputies supported the draft; however, they did not agree that supervision of VOZ activity should fall to the Czechoslovak Armed Forces Inspector General. They are of the opinion that this supervision should be within the Federal Assembly's jurisdiction.

The Chamber of People and Chamber of Nations Presidiums did not recommend that the agenda of the 20th joint Federal Assembly session be expanded to include an amendment to Paragraph 260 of the Criminal Law. Only two members of the Chamber of Nations Presidium were in favor of this, while the Chamber of People Presidium was unable to reach a quorum.

New Citizens Registration System Introduced

LD1001031292 Prague Stanice Ceskoslovensko
Radio Network in Czech 1700 GMT 9 Jan 92

[Text] A new system for registering citizens is being introduced in Czechoslovakia. This system is decentralized and fully computerized. From the beginning of January, individual centers will be gradually put into operation in those districts which form the system's basis. The first real life trial of the system will be the drawing of this year's election lists. In practical terms it is impossible to misuse information from the new system of registration, said Federal Interior Ministry employees at today's news conference. The overall price of the new system is Kcs 245 million.

Commander of New Military District Introduced

AU1501131992 Prague HOSPODARSKE NOVINY
in Czech 14 Jan 92 p 2

[CSTK report in the "Chronicle" column]

[Text] CSFR Minister of Defense Lubos Dobrovsky paid a visit to Olomouc yesterday. At the close of his visit, he introduced to reporters Lieutenant General Frantisek Podesva, commander of the newly established "Center" Military Command, whose sphere of activity will be Moravia. The "Center" Command will be based at Olomouc as of 1 March 1992. Its full-fledged operation will start on 1 May 1992.

CNR, SNR Continue Czech-Slovak Treaty Talks

Experts Draft Agreement

AU1401090892 Bratislava PRAVDA in Slovak
11 Jan 92 pp 1, 2

[CSTK report: "On the State's Constitutional Arrangement; Miklosko: We Do Not Rule Out Anything in Advance"]

[Text] Prague— In the opinion of Dagmar Buresova (Civic Movement), chairwoman of the Czech National Council [CNR], the talks on constitutional arrangement should continue, first and foremost, in the form of contacts between the coalition parties' clubs of deputies in the CNR and the Slovak National Council [SNR]. As she stated prior to the meeting of CNR and SNR representatives in Prague yesterday afternoon, experts have drafted a different version of the treaty, or agreement, between the CNR and the SNR.

In a separate document, the will to live in a common state should be expressed. At the same time, this document should deal with federal bodies. A second document would be a constitutional initiative toward the Federal Assembly, which—as Dagmar Buresova pointed out—could be either a joint initiative or an initiative that could be launched by each national council separately.

Asked about the proposal that has appeared in the CNR on a brief treaty between the two republics complemented with a separate legislative initiative, SNR Chairman Frantisek Miklosko said: "We will talk about it. We do not rule out anything in advance. We are open [to proposals]."

Before arriving in the CNR building, the Slovak representatives visited the Federal Assembly. Frantisek Miklosko said about this stopover, literally: "We wanted to learn the Federal Assembly's point of view, but the brunt of our negotiations lies here, in the CNR."

While the Czech side proposes a treaty between the national councils, the Slovak side proposes a treaty between states. Speaking about this issue, Frantisek Miklosko stressed: "A solution has been found that suits both sides. It will be a treaty between the Czech Republic and the Slovak Republic, represented by the CNR and the SNR. The problem of the treaty's ratification remains open, for the time being. That problem will also be discussed today."

The meeting in Prague was also attended, on behalf of the SNR, by First SNR Deputy Chairman Ivan Carnogursky and Deputies Peter Tatar and Peter Zajac (both from the Civic Democratic Union-Public Against Violence).

The CNR was represented by Dagmar Buresova (Civic Movement), CNR Deputy Chairmen Jan Kalvoda (Civic Democratic Alliance), Jan Kasal (Christian Democratic Union-Czechoslovak People's Party), and Jiri Vlach (Civic Democratic Party), and deputy Vaclav Zak (Civic Movement).

SNR Chairman Frantisek Miklosko regards the end of January, mid-February at the latest, as the deadline for the conclusion of the treaty between the two national councils on the CSFR's future constitutional setup.

During a break in the session, he told reporters that "some interesting ideas have emerged here." Asked whether he could be more specific, he replied: "Thus far, these ideas are secret." However, he told reporters that out of the 22 contentious issues concerning the division of powers between the republics and the federation left after the talks between the CNR and the SNR Presidiums that were held at Casta-Papiernicka in November, about five have remained. "These concern some aspects of foreign policy and legislation on establishments of higher learning and churches, with respect to which we, in Slovakia, proceed from different experiences," he said and expressed the conviction that the two sides will also reach an agreement on those disputed points.

Slovak Official 'Optimistic'

AU1401130292 Prague CSTK in English 0819 GMT
13 Jan 92

[Excerpt] Bratislava—[passage omitted] The daily VEREJNOST, founded by the Public Against Violence (VPN) movement, carries an interview with Slovak

National Council (parliament) Chairman Frantisek Miklosko on Friday's [10 January] meeting of the Czech and Slovak parliament Presidiums in Prague.

Miklosko is optimistic about a possible agreement on Czechoslovakia's future state setup. "As to the power sharing, we have come a great deal closer to one another. There had been 22 points we could not agree on and now there are scarcely five. They are not easy, but—according to me—not insurmountable," Miklosko is quoted as saying.

The Christian Democratic Movement (KDH) daily SLOVENSKY DENNIK quotes Slovak parliament Deputy Chairman Ivan Carnogursky as saying on the same topic: "The Czech National Council (parliament), too, is aware of the reality—either we sign an agreement or the situation will continue to develop without us influencing it, towards growing radicalism in both the Czech Republic and Slovakia. The wording (of the agreement) is close to completion, it has yet to be accepted by a majority in both parliaments." [passage omitted]

Slovak Interior Minister on Jurisdiction Disputes

AU1401131192 Bratislava PRAVDA in Slovak
13 January 92 pp 1, 5

[Interview with Slovak Interior Minister Ladislav Pittner by Antonia Vymazalova and Peter Kuchar; place and date not given: "The Jurisdiction Disputes Are Continuing"]

[Excerpts] The number of police officers will not be increased this year, although the crime rate is rising and new types of crimes are being committed. The jurisdiction disputes are continuing. State administration in Slovakia is facing fundamental changes. Parliamentary elections will be held in a few months, but their preparation is being hampered by the screenings process, which one third of the 38 district authority leaders will probably "not survive." This, and all sorts of other things, is what we found out from Slovak Interior Minister Ladislav Pittner in an interview he granted to us at the beginning of the year. We are publishing a substantial part of this interview.

[PRAVDA] Last year demonstrated that if the police force is to conduct an effective campaign against crime, it needs more money for more police officers and modern equipment. What will the 1992 Interior Ministry budget look like?

[Pittner] Our budget for this year has been reduced, as it was last year. This means that, although I had planned to increase the number of police officers per thousand citizens so that it at least equalled the number in the Czech Republic, the number of police officers in Slovakia will not increase this year. [passage omitted]

[PRAVDA] The issue of jurisdiction is still sensitive...

[Pittner] Investigation of the most serious crimes is, according to law No. 384/90, within the federation's jurisdiction. It has been demonstrated that without cooperation with the republican police forces, this is simply impossible. The republican police forces' jurisdiction has been expanded. They will collaborate with each other and with the Federal Police Force in instances where a joint police committee decides this is necessary. An Office for the Campaign Against Drugs has also been established. However, they have taken us by surprise in some issues. In accordance with the jurisdiction law, we agreed with the Federal Interior Ministry that we will participate in defending Slovakia's borders. Doubt is now being cast on this and it is being claimed that defense of the borders lies within the jurisdiction of the Federal Police Force alone. On the other hand, the security of facilities of special importance—for example, the Jaslovské Bohunice nuclear power plant—lies within the Federal Police Force's jurisdiction. Despite a protest by the Slovak prime minister, they informed us that as of 1 January 1992 the federation would stop carrying out such duty. We had to provide security at the last moment and with our own resources. Perhaps this is connected with the fact that as of 1 January federal units are being financed from the federal budget. Previously, they drew on the budget resources of the republic in which they operated. [passage omitted]

[PRAVDA] Your department also has an opinion on Slovakia's new territorial and administrative arrangement.

[Pittner] Government commissions prepared three variants for the new territorial-administrative arrangement. It seems that the variant that—as far as general state administration is concerned—wants to concentrate on a two-tier system will have the best chance. The first tier should comprise district offices and the second should comprise counties, otherwise called second-tier organs. As far as the issue of general and special state administration is concerned, I assume that this will be dealt with when the new government is formed.

[PRAVDA] What kind of problems or differences are involved here?

[Pittner] Every department defends its special offices. These are located in the same place as general state administration offices. Citizens consider this to be rather excessive. I agree with them. [passage omitted]

[PRAVDA] What kind of burden does the preparation and course of the parliamentary elections place on the Interior Ministry and state administration?

[Pittner] The greatest burden will be placed on the shoulders of the civil-administration section in cooperation with the state administration regional and district offices and the police force. We will place a considerable

number of staff on the "screening" register; however, the federation has not managed to arrange this properly. If the federal screenings law remains in force, this would create a problem for us because it would affect approximately one third of the 38 district authority leaders.

Slovak Economic Council Reviews Arms Conversion

*AU1501090292 Bratislava NARODNA OBRODA
in Slovak 11 Jan 92 p 2*

[Igor Zvach report: "Conversion and Nuclear Power Plants Dominated"]

[Text] Bratislava—A session of the Slovak Republic Government Economic Council took place yesterday. A review of the execution of Slovak Republic Government Resolution 375/91—on the conversion of the arms industry—confirmed that the problems are finally beginning to be resolved.

Last year, 3.5 billion korunas from government funds was used to deal with the problem of unnecessary stocks and unusable technology in arms factories. Additional funds are being allocated to conversion projects in Slovakia that do not exceed 50 million korunas. Some projects exceeding this amount still require a solution. Additional funds for this year have already been approved—1.2 billion korunas for conversion programs directly and 1.8 billion korunas to support export-oriented production programs.

Because of concern about the devastation of the environment by the operation of the A-1 nuclear power plant in Jaslovské Bohunice, the council discussed its state and the idea of terminating its operation. The most serious problem, the accumulation and storage of spent fuel, should be solved—after talks with Russia—in the near future. The funds to finance this task are included in the federal budget.

The council also discussed a report on assuring safety in the event of an accident at a nuclear power facility. After the former Regional National Committees—the West Slovak one in particular—were dissolved, the operations system for accident commissions collapsed. This work was transferred to the jurisdiction of the Slovak Environmental Commission, which has managed the task well. Currently, a general accident system is being constituted, which should also operate in the event of large industrial accidents.

In addition, draft principles for a Slovak National Council law on a state road fund for the Slovak Republic, a bill on the division of the currently unitarian Investment Bank into Czech and Slovak banks, a report on the current state and development of civilian airlines in the Slovak Republic, and other items were discussed.

Jeszzenszky Views Foreign Policy, Tasks
AU1401141292 Budapest NEPSZABADSAG
in Hungarian 11 Jan 92 pp 1, 2

[Interview with Foreign Minister Geza Jeszzenszky by Tibor Eszes; place and date not given: "War Destroys Everyone"]

[Text] The international recognition of Yugoslavia's republics could lead to recognition of the fact that war destroys everyone—Geza Jeszzenszky declared in an interview for NEPSZABADSAG. Geza Jeszzenszky, who is due to begin his planned trip to Turkey, Kuwait, and Moldova on 12 January, also said that he could envisage good Hungarian-Romanian relations even without a treaty.

[Eszes] The EC deadline will come to an end on 15 January and a decision will be taken about recognition of the Yugoslav republics. What does this date mean from a Hungarian viewpoint?

[Jeszzenszky] Hungarian policy does not necessarily follow the EC slavishly, but we do try to coordinate our steps with the EC where we agree with them. In any case, the Hungarian Government considers the December resolution on Yugoslavia to be a very good decision. We had proposed something similar in the previous months, even if not in the same form: We should not differentiate between the various republics, but we should insist on their meeting the requirements that the world rightfully expects of them regarding respect for democracy and human and national minority rights, and other important norms. We had already said it earlier, and others also began to think similarly, that perhaps there would be a chance for settlement and the participants in the conflict would sit down at the negotiating table if their positions become more equal. Earlier, there was neither military nor political equality between the federal government and the republics that desire to become independent. The EC then set out a deadline of three months but, unfortunately, those involved in this conflict failed to make use of this respite. International recognition could contribute to making the sides face the fact that war only destroys everyone and there is no alternative to some kind of peaceful agreement. Hungary will judge the applications for recognition from its own viewpoint and will decide accordingly, after consulting our partners.

[Eszes] Does this formulation mean that we have not yet made a decision, and the relevant negotiations of the Visegrad Trio [Poland, CSFR, Hungary] have not yet been concluded?

[Jeszzenszky] We hold regular consultations at both expert and ministerial levels. The positions of the three countries are quite similar. Each country is entitled to make a decision within its own jurisdiction, but all three are striving to do this in concert.

[Eszes] On condition that a relatively broad circle of Western countries recognize the independence of Slovenia and Croatia and perhaps even the independence of other Yugoslav republics by mid-January, Hungary will also take a similar step. However, beyond the gesture value, what would be the practical importance of Croatia's diplomatic relations with its northern neighbor?

[Jeszzenszky] From several points of view, this is only a symbolic act, but one with important international legal aspects. I must stress that we hope we will also be able to develop increasingly better relations with the Serbs by preserving our current economic ties, but we need peace in order to have undisturbed economic relations with both the Serbs and the Croats. If this war continues, Serbia's budget will only finance the military economy, and we would hardly be able to maintain our intensive economic cooperation, and this also applies to Croatia. With the means at its disposal, Budapest would like to promote peace in its neighborhood. We hope that the recognition of Slovenia and Croatia will contribute to this. The war only became more destructive in the previous six months of non-recognition, and I do not think that the continuation of this policy would offer any serious chance of settling the conflict; we must now try the opposite. It is important to implement the UN presence as soon as possible in order at least to bring a lasting ceasefire. However, in addition to the separation of the belligerent sides, we also need a political agreement, and this could also lead to the survival of the southern Slavs' economic ties.

Not With Double Standards

[Eszes] Considerable areas in Croatia are today occupied by the federal army and free Serbian troops. Could these areas continue to be occupied by these troops?

[Jeszzenszky] Major international factors have repeatedly pointed out that the Helsinki basic principles, namely the ban on changing borders by force, should also be applied to internal borders. This principle should be respected throughout the region! Violent acts should not be able to change borders, because a single acceptance of such an act would set a rather dangerous precedent to others. Besides, ethnic relations in Yugoslavia do not permit a solution to the conflict by means of a "border adjustment" because the areas in Croatia with a Serbian majority are not contiguous with Serbia. Territorial autonomy or some other similar thing could bring a solution here.

Although Serbia has never acknowledged this, we always stressed that we fully supported the justified efforts of the Serbs living in Croatia to preserve their identity. However, we find it strange that Serbia does not appreciate the same efforts of the national minorities living on its territory, including the Hungarians, and Serbia even denies the implementation of these rights. A selective use of the principle of self-determination and double standards are politically unacceptable: One cannot demand

the rights of the Serbian community in Croatia while denying the rights of Hungarians, Albanians, and other communities in Serbia!

[Eszes] Does the Hungarian diplomacy take into account the possibility that, following recognition, the current leadership in Belgrade might be replaced by even "tougher trends" than hitherto, and even internal fronts might open, just like in Vojvodina?

[Jeszenszky] I do not think such a radical turn is plausible; such a turn would make development even more difficult. However, it seems that there is a strong antiwar mood in Serbia too, and the elected leadership must also take this fact into consideration.

It would be important for an open and self-critical attitude to develop on all sides. I regard as extremely regrettable and irresponsible everything that the leadership in Belgrade allows itself in connection with Hungary too, like the report they sent to the United Nations. We have repeatedly suggested to Belgrade to come here and show us the alleged training camps. During my talks with the Serbian foreign minister here in Budapest a few weeks ago, I also said that we were ready to launch an investigation with their participation, but he simply disregarded this offer. All this accusation serves to direct public opinion there against Hungary and the local Hungarian minority.

[Eszes] Open or hidden accusations have already been made in Belgrade and in other neighboring capitals against Hungary, namely that, driven by the awareness of some kind of a mission, Hungarian policy is striving to gain for Hungary the status of a medium-sized power in Central Europe and is secretly hoping to regain some of its former territories....

[Jeszenszky] These are ridiculous accusations. If they originate from Hungary, I regard them as particularly unfortunate, because they are dangerous to ourselves and particularly to the Hungarian national minorities. If these accusations originate from our neighbors or perhaps from foreign observers, one can regard them as some kind of misunderstanding and inadequate information. However, if a country has knowledge and constructive ideas that other partners also regard as valuable and welcome, it is our obligation to tell them. I held several consultations with representatives of other parties here in this ministry during which the demand emerged that Hungary should play an absolutely passive role in this region. However, we cannot afford this! We must also participate in putting out a fire burning at our neighbors. Perhaps our fire-fighting hose is not the biggest, but we are closest to the fire. We must strive to involve others in fighting the fire. Hungary's current leadership is aware of the power relations, but we also see that small countries can also play a considerable role in international relations, precisely because they cannot be accused of big power ambitions.

Politics Is the Essential Thing

[Eszes] You will leave for a visit to Moldova next week in order to establish diplomatic relations. What prospects do you see for bilateral relations, particularly in view of the expected unification of this new state with Romania, something that would considerably modify the relations in this region?

[Jeszenszky] As far as I know, the Hungarian language has been using the term "Moldova" and "Moldovans" historically. The Soviets came out with the idea of a Moldovan language, although there is no such thing, only a uniform Romanian language. Bessarabia was part of the Principality of Moldova on this side of the River Prut.

Much more important: Decisions should be taken in accordance with the will of the people involved, and these decisions should not threaten international peace. The people involved, namely the inhabitants of the Bessarabian-Moldovan Republic and Romania will decide on the type of relations they want to have, and we will respect their decision. We see no danger in the existence of a 80-million-strong Germany; what matters is that its policy should be good. The same applies to the 55-million-strong Ukraine in our neighborhood; it is also secondary for us whether Romania has 23 million inhabitants or more. The important thing is its policy.

[Eszes] Do you see any signs of hope? According to the latest news, cultural centers will be set up in Budapest and Bucharest, but this is still far from the opening of a General Consulate in Kolozsvár [Cluj].

[Jeszenszky] That is true. As we know, there were Czechoslovak, Bulgarian, and Romanian cultural centers in Budapest during the communist regime. Such things can easily become compensatory actions: We set up a shop selling cultural activity and souvenirs regarded as harmless. The important thing would be to have different political relations, namely better ones. The only prerequisite for better political relations would be for Romania to observe democratic principles, to refrain from distorting the Hungarian efforts, and to refrain from inciting its public opinion against the Hungarians.

In this respect, my visit to Moldova proves that Hungary and Hungarians do not have any prejudices whatsoever toward the Romanians. I myself have repeatedly tried to show my appreciation for the Romanians, and I would very much like to see good relations between the two countries. If Bucharest shows less intention for this at present, we will visit Moldova to express our sympathy toward Romanians, a place that desires this cooperation. Perhaps one day Bucharest will follow the example of Kishinev.

Fate of Agreements

[Eszes] Romanian Prime Minister Theodor Stolojan recently declared that any progress in bilateral relations

was only possible if the main issues of a future basic treaty were clarified. Where do we stand on this?

[Jeszenszky] We have presented a proposed agreement and expert consultations on finalizing this agreement will start as early as in January. Our proposal is in harmony with our basic treaties signed with other countries. However, I am afraid that the Romanian side will not accept this proposal by suggesting certain modifications, but will stick to unrealistic things.

It is not important for the treaty to definitely contain for example the openness of our borders or the names of the towns in which we will open consulates. However, it is important that the general forms of cooperation with other states should also operate here, namely the establishment of consulates and a normal border crossing system. That is, the two countries should practically demonstrate their readiness to cooperate; this is what a treaty should reflect. I myself can envisage good Hungarian-Romanian relations with or without a treaty. In the development of bilateral relations everyday practice will be the decisive thing. In order to improve these relations, we can only repeat the several Hungarian proposals made in the past two years, proposals that have not yet been accepted by the Romanian side.

Gonczi Views State of Democracy, Economy

*AU1401112692 Budapest MTI in English 1854 GMT
12 Jan 92*

[Text] Budapest, 12 January (MTI)—Hungarian President Arpad Goncz outlined his views on the state of democracy and economic conditions in the country on the Sunday programme, "Visiting Card," of Hungarian Radio.

Reflecting on the favourable judgement of Hungary overseas, Goncz stated that Hungary is doomed to success. East-Central Europe can only follow in the footsteps of Scandinavia and the Mediterranean if it avoids becoming a buffer zone, he said. Hungary should make use of its intermediary situation and become part of Europe, while remaining open to the East.

With regard to the state of democracy in the country, he said, "we should not delude ourselves with our having a kind of outstanding role. Hungary enjoys certain advantages as a homogenous country where the forces of

disintegration are weaker than elsewhere, and the transition process, together with embourgeoisement, also started earlier. Naturally, the region's countries are first of all not rivals but partners to our country," he added.

Arpad Goncz pointed out that all conditions have been created for the development of democracy in Hungary, with its system of political institutions excluding the possibility of open dictatorship. There is no such phenomenon, but impatient voices can also be heard. However, embourgeoisement in Hungary reached such a level that makes it impossible to change the processes underway.

Answering a question, Goncz confirmed he will only resign if he has to do something incompatible with his conscience.

Government Discusses Farm Privatization

*LD1401220192 Budapest Kossuth Radio Network
in Hungarian 1700 GMT 9 Jan 92*

[Text] You heard earlier in the program that the Hungarian Government has taken a stand in the matter of the Yugoslav accusations. Zsuzsa Vajda outlines the other subjects of the government session:

[Vajda] The government wishes to exercise influence on the privatization of the state farms. For this reason, 60-80 farms will be drawn under state administrative supervision. In the course of the procedure, there will be farms that remain in state ownership, for example, those producing sowing-seed, those keeping livestock for breeding. Bankruptcy proceedings will begin against loss-incurring farms.

The statistics law that came about in 1973 must be reworked—this was the government's decision at the session today. The most important thing is that the law should create protection of personal data, while at the same time the data of public interest should be made public as widely as possible, Judit Juhasz, spokesperson, said. The government decided on financial provisions for disabled servicemen or their relatives. According to this, beginning 1 January 1992, those who are disabled to a degree of 65 percent or more will receive a supplement of 3,000 forints per month. War widows will receive 1,500 forints. Those who are on the records or who partake in provisions will receive the supplement without a request. It is necessary to turn to the mayors' office with further requests.

Ukraine's Defense Minister on Nuclear Weapons

LD1401215892 Warsaw PAP in English 2047 GMT
14 Jan 92

[Text] Warsaw, Jan. 14—Ukrainian Defence Minister Konstantin Morozov pledged on Tuesday [14 January] tactical nuclear weapons would be removed from the Ukraine by July 1 while strategic ones would be dismantled by the end of 1994.

Morozov, who paid a one-day official visit to Warsaw on Tuesday, also declared that the Ukraine would never use its nuclear weapons nor initiate an armed conflict.

The Ukraine makes no territorial claims on any country and renounces the use of force in international relations. The republic will obey international agreements on the reduction of conventional arms and is not going to join any military pacts, the minister said.

Morozov stated the Parliament would decide the size of the new Ukrainian army but added it would be similar to those in the neighbouring countries.

Commenting on the talks with General Morozov, Polish Defence Minister Jan Parys said they had "a historic significance."

"We heard statements from Minister Morozov which clear up many of our doubts and I think that from this time on cooperation will be good from every point of view, political as well as military," he said.

As a result of the visit working teams will be set up to deal with military cooperation between Poland and the Ukraine in such spheres as training, contacts between general staffs, security of flights, and arms production.

Skubiszewski 'Optimistic' After Lithuania Visit

LD1401192892 Warsaw PAP in English 1811 GMT
14 Jan 92

[Text] Vilnius, Jan. 14—Polish Foreign Minister Krzysztof Skubiszewski told journalists on Tuesday [14 January] after his return from Vilnius that he sees "some grounds for optimism, but a further development of relations requires much effort."

The minister admitted that upon his arrival in Lithuania "opinions seemed to have been divided" but "there was not even a single critical remark about his arrival" made at his meeting with all Polish deputies to the Lithuanian Supreme Council and representatives of Polish organizations.

"The Poles (living in Lithuania) could see that establishing relations with Lithuania gathers momentum and that some order is being introduced into them. Such actions can only be helpful for them," Skubiszewski told reporters in Warsaw.

Skubiszewski called the signing of the Polish-Lithuanian declaration "a doubtless achievement" and said that provisions that have been negotiated are favourable for the Poles.

"They meet halfway all the significant demands and solve the question of local self-governments (in Lithuanian districts inhabited by Poles)," he said.

According to the Polish foreign minister "a very important step has been made and broad prospects are opening for Polish-Lithuanian cooperation and normalization of mutual relations."

On Tuesday morning Skubiszewski told the Lithuanian Parliament that he was leaving Vilnius convinced that "we are taking this common effort having in mind not only the present day but also a more distant future. We want to leave the fruits of accord to the future generations."

He recalled Poland's support for Lithuanian resistance against violence and aspirations for independence extended in the past when Lithuania was fighting for freedom and remarked that, now, with the signing of the declaration, both sides have grounds for satisfaction, having a document based on European standards.

The Polish foreign minister also appealed to Lithuanian deputies for "Christian morality to be allowed to speak in our policies."

After his address to the Lithuanian Parliament, Skubiszewski was bidden farewell at Vilnius Airport by Lithuanian Foreign Minister Algirdas Saudargas.

For the Lithuanian side the most important aspect of the visit seems to be the fact that Poland has unequivocally confirmed the present Polish-Lithuanian border in the declaration as some Lithuanians still do not trust the Poles and fear they may demand that Vilnius, the Lithuanian capital, be returned to Poland to which it belonged before World War Two.

Skubiszewski's visit met with a differentiated reaction in the Lithuanian society as some did not like the timing while others were overtly against it, which was evidenced by two small demonstrations staged in front of the Lithuanian Foreign Ministry on Monday.

Eleven deputies addressed a letter of protest to the Lithuanian foreign minister, signed, among others, by Lithuanian Deputy Foreign Minister Eigidius Klumbys, demanding that Poland condemn "general Zeligowski's aggression of 1920." Even though Skubiszewski made assurances at a press conference that there will be no another Zeligowski, he failed to assume a stand on the event, a thing that may soon reemerge in formal talks between Poland and Lithuania.

A majority of Poles living in Lithuania received the visit with a friendly attitude but some of them had reservations to it, being of the opinion that the problems of Polish minority there have not been solved yet.

Skubiszewski summed up these reactions after his return to Warsaw, saying that if "extremists on both sides do not like some actions it means that we follow the right track." He also said that "it is necessary that local

residents reach agreement with local authorities." "Poland cannot do everything for the Poles (in Lithuania)," he said.

Slovak Minister Demes on 3-Day Working Visit

Describes Commission Agreement

*LD1401231992 Prague CSTK in English 2022 GMT
14 Jan 92*

[Text] Warsaw Jan 14 (CSTK correspondent)—Slovak Minister for International Relations Pavol Demes today described the agreement on the creation of an intergovernmental Slovak-Polish commission for border cooperation as the main result of his three-day working visit to Poland which ended today.

In an interview with CSTK Demes said the commission is to draft a timetable for reviving bilateral relations in the area of economy, culture, education and environment.

The aim of the visit was to activate Slovak-Polish relations in the framework of the central European "troika" (Czechoslovakia, Poland, Hungary). Demes said, stressing that the chairman of the Polish Sejm (Parliament) Foreign Affairs Committee, Bronislaw Geremek, described the "troika" as a grouping of three states but of four nations.

Demes stressed the need for particularly activating economic cooperation, contacts between national minorities and border cooperation.

Demes today told a press conference that the countries of the "troika" should take into consideration that Czechoslovakia consists of two sovereign republics (Czech and Slovak), both of them having already many powers.

The press conference was held at the end of Demes's three-day working visit to Poland.

Demes stressed Slovakia's interest in the development of border cooperation with Poland and said he discussed in Warsaw the creation of a natural reserve along the Slovak-Polish-Ukrainian borders.

Demes praised the improvement of the situation of the Slovak minority in Poland.

Meets Skubiszewski, Others

*LD1401232792 Warsaw PAP in English 2220 GMT
14 Jan 92*

[Text] Warsaw, Jan. 14—Slovak Minister of International Relations Pavol Demes on Tuesday [14 January] continued his visit to Poland meeting with Polish deputies and ministers.

The Slovak guest meeting with members of the presidium of the Sejm (lower house) Foreign Affairs Committee, headed by its chairman Deputy Bronislaw Geremek, discussed issues related to the development of border-region cooperation between Poland and Slovakia.

Next, Pavol Demes met with Minister of National Education Andrzej Stelmachowski to discuss prospects for the expansion of teaching of the Czech and Slovak languages at the Jagiellonian and Warsaw Universities and of the Polish language in Bratislava. The two ministers agreed initially on the principles of planned exchange of students between the two countries.

In the afternoon, Minister Demes and Polish Deputy Foreign Minister Iwo Byczewski chaired the next part of Polish-Slovak official talks. One of the problems discussed during the talks was the idea of setting up, in cooperation with the Ukraine, of an international reserve of biosphere in eastern Carpathian Mountains.

Later in the day, Minister Demes met with Polish Foreign Minister Krzysztof Skubiszewski who stressed that contacts with Slovakia do not undermine the competence of the federal government of Czechoslovakia.

Government Reviews Bielecki Cabinet Legislation

*AU1401142892 Warsaw RZECZPOSPOLITA
in Polish 8 Jan 92 p 1*

[Malgorzata Subotic report: "The Official Like Caesar's Wife"]

[Text] At its Tuesday [8 January] meeting, the government adopted a draft anticorruption law that is very similar to the one proposed by the previous government and decided to direct the bill to Parliament. The ministers reached decisions about 22 draft items of legislation prepared by the government that the 10th Sejm did not have enough time to approve during its term of office. Ministers considered extending the powers of the Council of Ministers Economic Committee and the future of the banking law amendment vetoed by the president. The issued will be decided within a week.

Labor Minister Jerzy Kropiwnicki has still not prepared a decree raising the level of the guaranteed sum when pensions are reviewed upward from 800,000 zlotys to 1 million zlotys. A further estimate of the costs is needed.

The measures proposed in the bill restricting economic activities pursued by persons in public service apply to senators, deputies, local government employees, civil servants, and professional soldiers. The most important change in relation to the bill produced by the Bielecki cabinet is the inclusion of a provision that extends the purview of the anticorruption bill to persons "holding senior posts in the state."

Justice Minister Zbigniew Dyka told reporters that functionaries "must be like Caesar's wife—above all suspicion," and they should not be exposed to temptations arising in connection with the posts they hold.

Let us recall that under the bill, Parliamentarians and local council members would not be allowed to serve on the boards of companies in which the state treasury or local government authorities have a stake. They would

also not be allowed to occupy managerial posts in such companies. They would be obliged to declare not only their own wealth, but also that of their spouses.

The remaining persons to whom the law applies cannot own stock or have controlling interests in companies, and the ban on holding managerial posts or serving on company boards extends to all types of companies under the commercial code.

"The party is over; whoever wants to be in public service must have clean hands," said Minister Dyka. Asked about the penalties that violations of the provisions of the law will entail, the minister replied that ministers will be politically accountable to the Sejm and that parliamentarians will be answerable in accordance with regulations. State employees can be dismissed without notice or transferred to a different post, if the economic activities pursued by a spouse could influence the decisions made by the employee. The minister said that the annual declarations of wealth that state functionaries will have to submit will not be confidential, although there will be no obligation to publish them.

The government decided to withdraw six of the 22 bills that the previous Sejm did not have time to consider. They include a draft amendment to the law defining local government powers and the other local government laws connected with it and the following bills: on the state public service and the principles governing the creation of the service; on changes to the scope of the activities of the minister of national defense and of the command of the Armed Forces; on the finances of townships, and an amended law on renting premises and amended regulations on the provision of accommodation for the Armed Forces.

Government spokesman Marcin Gugulski described the outstanding draft legislation prepared by the Bielecki cabinet as "a legacy that is in part very valuable." The draft legislation that will be submitted to Parliament as quickly as possible includes the draft laws on the taxation of goods and services; the provision of pensions to soldiers and their families; and the organization of appeal and other courts. The remaining bills require adjustments or interdepartmental consultations.

The government decided that it will not resubmit six bills proposed by the Bielecki cabinet that were subsequently rejected by the previous Sejm. There were only two documents about which no decision was reached: the draft amendments to the Constitution and the draft law on special powers.

Olszewski on Economic Crisis, Budget Policy

AU1501113992 Munich SUEDEDEUTSCHE ZEITUNG
in German 15 Jan 92 p 9

[Interview with Polish Prime Minister Jan Olszewski by Thomas Urban in Warsaw; date not given: "The Limit of Pain Has Been Reached"]

[Text] [Urban] When you presented your cabinet, you spoke of a "government of hope." What may the Poles now hope for?

[Olszewski] My compatriots can proceed from the premise that the current stage is the most difficult one; it is, so to speak, the low point of the crisis, which has been escalated by the change in the system. Now it is important that we pass through this stage of further collapse of the economy as quickly as possible.

[Urban] Does your government—without a secure majority in the Sejm—actually have any chance of surviving the current legislative period?

[Olszewski] The Sejm expressed trust in this government, this means, it can rely on a majority. Another question is whether this majority will be sufficient for effective government. This includes, for instance, the power to issue decrees.

[Urban] Will you find the necessary two-thirds majority in the Sejm for this purpose?

[Olszewski] I think that, in view of our situation, the deputies will not permit themselves to be guided by party interests but by the sense of responsibility for the state. Therefore, I think that we will be granted this power.

[Urban] Do you thus expect the small groups in the Sejm to set aside their own interests?

[Olszewski] Votes in the Sejm so far have shown that we can certainly rely on a responsible majority. I hope that this majority will increase further.

[Urban] Your government's line is said to include turning away from the Balcerowicz plan, that is, the policy of priority struggle against inflation, which also entails cutbacks in social benefits.

[Olszewski] These cutbacks were only one element of the concept of former Finance Minister Leszek Balcerowicz. Basically, I agree with it. During the first stage of the program, which started in January 1990, stopping hyperinflation had absolute priority. There is no doubt that this has been achieved. However, exclusive concentration on the struggle against inflation and simultaneous renunciation of a purposeful economic policy lead to the current crisis. This means that Balcerowicz' line cannot be continued in its previous form.

[Urban] What is the alternative?

[Olszewski] The government will concentrate on stimulating the economy and will try to control inflation in this process. Promoting investments will be the focal issue. This is an existential question for the Polish national economy, which has suffered a strong decline over the past two years.

[Urban] Thus, the budget deficit will continue to grow?

[Olszewski] Yes, but we are trying not to cross a certain, clearly defined limit. The inflation rate this year must not be higher than last year.

[Urban] How do you want to react to the increasing dissatisfaction among the population in view of the first wave of strikes in the country?

[Olszewski] This moment had to come. For two years the Polish people suffered the burdens, which resulted from the restructuring of the system, with unexpectedly great patience. The current wave of protests shows that the limit of pain has been reached by some groups of the population. Thus, we must shift means for the benefit of the particularly affected strata and at the cost of privileged groups. [Urban] To which extent does Poland depend on outside help for its economic reforms?

[Olszewski] Of course, we want to cooperate with the IMF, the World Bank, and other international financial institutions. After all, we are sitting under the Damoclean sword of debts. We cannot join the international economy without settling this issue with our creditors. However, the success of the reforms in Poland primarily depends on the Poles themselves. If we master the most important problems ourselves, help from outside will come automatically, because Poland will then be an attractive market.

[Urban] Joining the EC is advocated as a panacea. Do you share this view?

[Olszewski] Basically, yes. There is no other way for Poland and for the other countries in this part of Europe. However, how long will the process of adjustment take? The year 2000 marks a psychological limit, but I think that it will take at least one decade. We might be facing many surprises on the way.

[Urban] Some political forces not only demand membership in the EC but also in NATO.

[Olszewski] In view of the collapse of the Soviet Union, NATO has remained the only factor of stability in Europe. It is quite natural that the states no longer bound by a treaty are seeking to join NATO in some way. The same also goes for the CSFR and Hungary. Recently, some members of the Commonwealth of Independent States also expressed similar intentions.

[Urban] Particularly regarding relations with the neighbors in the East that have become independent, old emotions have flared up again. Do you see a danger of further conflicts, for instance with Lithuania or the Ukraine?

[Olszewski] I think that the developments may take a positive direction; this naturally depends on both sides.

[urban] On the other hand, the essential problems between Poles and Germans seem to have come much closer to being solved.

[Olszewski] The relations are perhaps not ideal, but they are developing in a satisfying manner. Forces outside the governments, including the Catholic Church, played a decisive role in achieve a breakthrough in the relations. Personal contacts were important. I am thinking of the spontaneous aid campaigns after martial law was imposed in the winter of 1981-82.

[Urban] What do you think is the main problem between the two peoples?

[Olszewski] The economic imbalance. If we manage to overcome our crisis, I do not see any problems in the future. However, if the trenches between Poland and what has so far been Western Europe continue to deepen, the Oder and Neisse Rivers might become a border that marks the further division of Europe.

[Urban] Will your government continue the policy of the two previous cabinets toward the German minority, which was aimed at a consensus?

[Olszewski] This policy is quite natural, it was not determined by the government but corresponded to the developments in the society.

[Urban] What is your view on the demands of the minority that the expulsions after World War II should be mentioned in textbooks and that bilingual name plates should be used in towns and villages with an ethnic German majority?

[Olszewski] It is a matter of course that we grant the minorities those things that are set down by the Copenhagen CSCE document of 1990. After all, we have a comparable interest in guarantees for the Polish minority in our neighboring countries in the east, that is, in Lithuania, Belarus, and the Ukraine. Regarding the expulsion, we must not overlook the fact that there were not only expelled Germans but that our compatriots who came to their areas were no volunteers, either, but also expellees. Thus, both sides suffered.

[Urban] Which prospects do you see for German-Polish cooperation?

[Olszewski] I am optimistic.

Aviation Industry Workers Begin General Strike

Government To Enter Talks 'Soon'

LD1401214292 Warsaw PAP in English 1930 GMT
14 Jan 92

[Text] Warsaw, Jan. 14—The government cannot suspend or back away from the price hikes on energy as they are an element in the provisional budget for 1992, Labour Deputy Minister Aleksandra Wiktorow said Tuesday [14 January] during a break in the government debates.

The government declared to enter soon into comprehensive talks with all trade union organizations on the

assumptions of the socioeconomic policy and the protection of the poorest, however unionists condition the beginning of negotiations on the suspension of the rises.

Protesters Awaiting Government Talks

LD1401142192 Warsaw Radio Warszawa Network
in Polish 1200 GMT 14 Jan 92

[Text] In accordance with a decision of the national board of the aviation industry of the Independent Self-Governing Trade Union [NSZZ] Solidarity, a general strike in the enterprises of this industry started at 0600 GMT today. The protesters now await talks with the government on prospects for the future functioning of the industry.

A letter supporting the proposals of the employees of the aviation industry in Rzeszow was sent by the staff of the communication equipment plant of the state aviation works [PZL] in Krakow. The staff of this factory, and also the employees of the Krakow planning office of the aviation industry are not participating in the strike, but are limiting their action to written support for the protest.

Over 2,500 employees of the PZL "Hydral" works in Wroclaw are continuing their sit-in strike, which began this morning, in protest against the disastrous situation facing the aviation industry in Poland.

50,000 Take Part in 8-Hour Protest

LD1401214892 Warsaw Radio Warszawa Network
in Polish 2100 GMT 14 Jan 92

[Text] About 50,000 people took part in today's eight-hour general strike, which was organized by the National Branch of the NSZZ Solidarity [Independent Self-Governing Trade Union] of the aviation industry.

A 16th person has joined the hunger protest in Lodz which has been going on since 8 January at the initiative of a group of activists at the regional branch of Solidarity of the light industry.

Employees of the health service, associated in the OPZZ [National Trade Union Accord] union at the no. 1 health care center in Gdynia staged a day-long protest strike.

Commission Thanks Participants

LD1401221192 Warsaw PAP in English 2029 GMT
14 Jan 92

[Text] Warsaw, 14 January—The presidium of the Solidarity National Commission thanked on Tuesday [14 January] all those who had taken part in the strike action on Monday [13 January] and expressed readiness to enter into comprehensive talks with the government when the price hikes on energy are rescinded.

The presidium pointed to the mass support for the action and said the fact showed the rightness of the union's goals and undertaken actions.

Spokesman for the commission Andrzej Adamczyk said the government overlooked the real goal of the action as its spokesman Marcin Gugulski described the Monday strike as a protest against the economic policy over the past two years.

"The Monday action was not aimed to make a historical assessment of the former governments but to protest against the unlawful method of implementing the price hikes (without consultations with trade unions). It was a protest against the violation of law by this government. It was an attempt to make the government suspend the rises and start broad negotiations," he said.

Also the All-Poland Alliance of Trade Unions (OPZZ) voiced readiness to suspend its warning strike, scheduled for January 16, if the government backs away from the hikes and offers readiness to start talks with trade unions.

OPZZ leader Ewa Spychalska said the government had "a chance to save its face" by entering into negotiations and encouraged all trade union organizations to cooperate in defending working people.

On Tuesday Poland was hit by another wave of strikes with about 50,000 workers in 14 aircraft factories staging a one-day stoppage demanding government support for the industry.

The factories, producing mainly outdated helicopters and small planes, have been hardly hit by the collapse of trade with the former Soviet Union, unable to pay hard currency for the equipment previously traded for transferable roubles. Also the Polish Defence Ministry owes the plants one trillion zlotys (87 million dollars) for last year's orders, which it will probably be unable to pay back due to sharp cuts in its budget.

Alongside today's protest, the occupation of office buildings in the aircraft plant in Rzeszow, southeastern Poland, continued on Tuesday with the protesters demanding negotiations with the government on the restructuring of the sector.

Also the sit-in in the Pzl-Hydral aircraft plant in the southwestern city of Wroclaw went on for the second day on Tuesday in protest against the catastrophic condition of the aircraft industry.

Workers of the Wsk-Swidnik, near Lublin in eastern Poland, decided to continue their protest indefinitely until talks with a competent government delegation on the future of the plant begin.

Also on Tuesday, health workers in the northern port of Gdynia staged a one-day strike demanding greater budgetary spending on health service, higher wages, the withdrawal from the price rises of energy, and the guarantee of jobs.

In the central city of Lodz, the 16th person joined the hunger strike held since January 8 in protest against the dramatic deterioration of the textile industry.

Iliescu, PUNR Delegation View Economic State*AU1401185892 Bucharest ROMPRES in English
1558 GMT 14 Jan 92*

[Text] Bucharest, ROMPRES, 14/1/1992—On Tuesday, January 14 a delegation of the Romanian National Unity Party (PUNR) met at the Cotroceni Palace with President Ion Iliescu and presented a series of proposals concerning the improvement of the country's economic and social situation in the transition period. Observations were also made in connection with the unfolding of the census of the population and dwellings.

Stolojan, Ministers Discuss Rise in Minimum Wage*AU1301135192 Bucharest ROMPRES in English
1058 GMT 13 Jan 92*

[Text] Bucharest, ROMPRES, 13/1/1992—An inner cabinet meeting was held on January 11, attended by Theodor Stolojan, Romanian prime minister, George Danielescu, minister of economy and finance, Dan Constantinescu, minister of industry, Ion Aurel Stoica, minister for the relations with the parliament, Traian Basescu, minister of transport, Florin Bercea, of budget, secretary of state, as well as other experts. They discussed the effects on prices that might be entailed by the rise to some 24,000 lei a month of the minimum wage in the economy, proposed and sustained by the National Consultative Council of the Trade Unions. At the beginning of the meeting, Miha Miron Biji, government special representative for the relations with the unions and the employers, presented the stage of the talks with the trade unions on that matter, as well as on the conclusion of the collective bargaining agreement for 1992. Based on the analyses made by every ministry, the ministers are to present their own standpoints.

UDMR's Kozsokar Elected Senate Vice President*AU1301175792 Bucharest ROMPRES in English
1717 GMT 13 Jan 92*

[Text] Bucharest ROMPRES, 13/1/1992—Monday, January 13, Gabor Kozsokar, UDMR [Hungarian Democratic Union of Romania] senator of Covasna, was elected by secret vote vice-president of Romania's Senate with 70 votes for and 16 votes against, replacing another member of the UDMR parliamentary group, Karoly Kiraly, who lost his quality of vice-president and senator since he had not expressed his vote on Romania's constitution.

The new vice-president of the Senate was born on January 31, 1941 and is a lawyer. In his inauguration address Gabor Kozsokar stated he would further work consistently for the promotion of the interests of the Hungarian minority. Likewise he stressed he would make all efforts to increase the prestige of that legislative forum, to build a real democracy in Romania.

Bucharest Mayoral Candidate Promises 'Realism'*AU1401185092 Bucharest ROMPRES in English
1458 GMT 14 Jan 92*

[Text] Bucharest, ROMPRES, 14/1/1992—The campaign for local elections in Romania gains in intensity with every passing day, bringing to the public's attention the stands of candidates to the offices of mayor or councilor.

Cazimir Ionescu, who runs for the office of Bucharest mayor-general in behalf of the National Salvation Front, states in an interview with the radio program "Romania Actualitati" that for the administration of the Romanian capital he plans realism, promising he will come before the public with solutions for such urgent issues as water supply, housing, electricity, roads and telecommunications, in the context of the building of the market economy. Recalling that he renounced to run in the parliamentary elections, Cazimir Ionescu says that he accepted to run for an executive office with the Bucharest City Hall "out of a feeling of responsibility both for the problems to be settled and for the people who pinned their hope to those who, after the revolution have "the capability to accomplish things started". The candidate, now a deputy, says that finding financial resources to cope with local necessities is impossible without "diverting a part of the local taxes and duties that go to the national budget, with an important role having to be further played by the parliament in this respect".

In turn, Doctor Gabriela Fagarasanu, who runs for a post of city councillor in Bucharest in behalf of the Ecological Movement in Romania, urged the electorate to vote for the fir-tree, the electoral token of the ecologists, promising a more efficient medical system, through the implementation of a state-patronaged medical policy, in which the alternative of private medicine should however become reality in the difficult economic conditions the country is living through.

Telecommunications, Rail Unions Threaten Strike*AU1301171792 Bucharest ROMPRES in English
1610 GMT 13 Jan 92*

[Text] Bucharest ROMPRES, 13/1/1992—The Federation of the Post and Telecommunication Trade Unions sent to the ROMPRES news agency a note specifying that: "Worried by the grave economic crisis of the Romanian telecommunication and deeply dissatisfied at the minor interest of the Ministry of Telecommunication towards this situation, the trade union members warn they will not remain passive at the deterioration of the working and living conditions and at the forced reductions of staff. They are resolute—the note specifies—to make use of all trade union means—general strike included—to make the enterprise, the ministry and the government find real solutions to the situation.

The granting of the 12.5 per cent coefficient as indexation for November and December 1991 as well as of the 13th salary are the main claims of the Trade Unions in

the National Society of the Romanian Railways—SNCFR—presented during the talks held on Monday, January 13 with the representatives of the Ministry of Transport.

If their claims are not solved, the trade unions intend to start a general strike.

Labor Minister Holds Briefing

*AU1501060692 Bucharest ROMPRES in English
2000 GMT 14 Jan 92*

[Text] Bucharest, ROMPRES, 14/1/1992—"I think there will be no strike of the employees of the National Society of the Romanian Railways (SNCFR)," Minister of Labor Traian Basescu stated during a press conference on Tuesday, January 14. "My arguments are the economically groundless claims and the existing atmosphere in the SNCFR," Minister Basescu specified.

Although the structure of the railway tariffs—after the latest price liberalization in November 1991—included the 12.5 per cent indexation resulting in their 2.81 per cent increase coefficient, the salaries increase was only of 1.93 per cent because the railways intakes are not totally destined to consumption. "At least a part of these intakes should be given to modernization and overhauling of infrastructure, Mr. Basescu said specifying that now "about 50 per cent of the total number of locomotives is completely out of use."

"If the trade unions make pressions for the increase of the salary fund, we could achieve such a thing only by taking from the funds meant to improve the comfort or by increasing again the railway tariffs," Traian Basescu stated.

Mr. Basescu also stated to the press that Romania's Senate decided to make an analysis of the situation of the Romanian sea fleet and of its repair and sale, specifying that until now, despite the checks made by the financial guard and by other institutions, no irregularities were found in connection with the exploitation of the sea ships.

PUNR Protests Methods of Conducting Census

*AU1501130692 Bucharest ROMPRES in English
1123 GMT 15 Jan 92*

[Text] Bucharest ROMPRES, 15/1/1992—In connection with the organization and unfolding of the population and house census taken over January 7-14, 1992, the Romanian National Unity Party [PUNR] has sent the Romanian news agency ROMPRES a release, showing that the way of organization and unfolding of the census generated possibilities to record data that are not true to reality, which may lead to "strange" results. What facilitated this was: The recording in forms of strictly confidential information instead of real, sure data based on the identity cards of the people, the absence of a control of the number of forms given to the census takers, which facilitates the possibility of filling in fictitious data, as

well as the annulment of forms correctly drawn up and their replacement by other ones with fake data, especially as regards the number of persons and the nationality, the composition of the census takers' commissions often comprised only of one person, which facilitated the recording of fictitious data regarding the number of persons belonging to the Hungarian minority, and the failure to strike the blanks that were not filled in.

Contributing to that, the communique reads, was the abuse omitted by the Hungarian Democratic Union of Romania [UDMR], that instructed the Hungarian minority (through church, press, radio and TV Hungarian-language programs) to forge the data of the census.

Among those instructions, already carried into effect, shows the communique, were the recording of the Szeklers and Csango population as Hungarians, the recording of a number of family members bigger than the real one, the recording as Hungarians of Romanians belonging to mixed families, the migration in the same locality and between localities of Romanian citizens of Hungarian nationality, which led to a doubling of the number of Hungarians, the "import" from Hungary of thousands of persons, underaged in particular, hosted by Hungarian families, to be recorded in the census in Romania.

These forgeries will result after the census in the raising to two up to four million of the number of the Hungarian ethnical minority, instead of one million. These forgeries in the census data should be correlated also with the Hungarian Government's intention to grant Hungarian citizenship to Romania's citizens belonging to the Hungarian minority, the communique shows.

The Romanian National Unity Party asks the government to give instructions so that wherever the citizens declared themselves as belonging to the Hungarian minority the truthfulness of the data recorded by the census takers should be checked up. The results of that check up, the communique demands, should be presented in the Parliament and publicized. The Romanian people will have yet another proof of the actions promoted by the UDMR, which are contrary to Romania's interests.

The PUNR demands punishment according to the law both of the citizens and of the census takers who were guilty of recording fake data during the census.

The PUNR declares that if the check up will not be demanded and carried into effect and the fake data collected over January 7-14, 1991 would not be mended, it will not recognize the results of this census.

Population Director Stresses Importance of Census

*AU1401180892 Bucharest ROMANIA LIBERA
in Romanian 4-5 Jan 92*

[Article by Vasile Ghetau, director general of the General Directorate for the Population and Dwelling Census: "Is This Census Really Necessary Now?"]

[Text] The population and dwelling census in Romania was initiated and prepared at the level of 1992 European standards. In order to offer our readers a clearer picture of the work that has been carried out, here are three figures: 72 census forms and documents, printed in 18 million copies, "swallowed" 550 tonnes of paper.

Is this census necessary now?

Certainly the political and social atmosphere is not ideal for a census. It would be simplistic, however, to judge the necessity of this operation solely from this angle.

Today, Romania is facing a crucial moment in its advance toward a democratic and multiparty society with an economy based on adequate mechanisms and laws. Hope of improve the economy and escape the current crisis without realistic programs is an illusion. Thus, the drafting of these programs requires a fundamental precision: to build them on the exact knowledge of the economic and social realities. A census is the most important source of information as far as the human potential of a country is concerned, including information about the exact number of people, their geographic distribution, and the structure of the population by sex, age, marital status, level of education, mother tongue, nationality, religion, economic situation, profession, and branches of the national economy. Today we do not have exact information about basic things concerning the population of this country: How many people live here? How many are illiterate? What is the real proportion of nationalities (a rubric under which all kind of figures are received which lack foundation)? What is the breakdown of the population according to religion, an indicator not included in any postwar census? What modifications have taken place in the family structure? How many unemployed do we have? Who are they? What is the structure of the population employed in the primary, secondary, and tertiary sectors?

Since the census also includes information about dwellings, its results will permit us to provide answers to other extremely pertinent questions: What is the proportion of people currently living in dwellings with running water and sewerage systems? What is the proportion of people who are still living in dwellings without electricity? What is the average living space per capita? How many of us are still heating our dwellings with wood and coal?

These questions are only a small number of those to which we are going to receive answers through the 7-14 January census.

The governmental bodies and the central and local administration bodies are only some of those who will use the results of the census. Public and private economic agents, social-scientific researchers, political parties, trade unions, news media and certainly the public are those who will directly benefit from the data provided by the census.

It would be a great error to look for a political meaning or hidden political agendas in this census and in the way

it was prepared. As a matter of fact, it is noteworthy that the census was initiated and approved by the Roman government and is being conducted by the Stolojan Government, and one of the important users of the census will be the government resulting from the next spring elections, as well as all the other future governments of Romania (I hope not too many) until the year 2,000, because Romania will not be able to afford the luxury of another census until the end of the century.

More than ever, we need truth. The current census will become a part of this truth if our people contribute to its success. The Romanian people and Romania need a genuine census now. Those who prepared it, under difficult conditions, did their utmost to equip it with all the characteristics of a modern census. It is our civic duty, above any political consideration, to make our contribution to the success of the most extensive and complex statistical investigation of a country at the end of this century and the end of this millennium.

Custom Regulations on Goods Extended to 31 Mar

AU1401185692 Bucharest ROMPRES in English
1554 GMT 14 Jan 92

[Text] Bucharest, ROMPRES, 14/1/1992—The General Customs Directorate informed that in an attempt at discouraging the outflow of large amounts of consumer goods and car fuel in September 1990 and January 1991 exceptional restrictive measures had been applied until April 30, 1991, their validity having been extended until December 31.

As no significant changes occurred in the conditions that had entailed the respective steps the General Customs Directorate, in agreement with the Romanian Government, decided to extend the applicability of those restrictions until March 31, 1992.

Unemployment, Benefit Statistics Detailed

AU1401185292 Bucharest ROMPRES in English
1455 GMT 14 Jan 92

[Text] Bucharest, ROMPRES, 14/1/1992—According to the data available at the Ministry of Labor and Social Protection, writes the daily "DIMINEATA", 289,913 unemployed have been enlisted so far to be granted benefits, 171, 000 of whom are women. Of the total number, 244,565 are workers, 36,527 high school graduates and 8,821 higher school graduates.

Since the unemployment law entered into force (law 1/February 1991), work offices solved the situation of more than 38,000 unemployed, most of them workers, who were offered work places. Unemployment benefits were halted for 15,000 unemployed registered for more than six months, the maximum period for paying benefits according to the former law, and who are going to be re-enlisted for benefits, as the period for unemployment benefits has been extended. Another 68,758 people,

49,000 of whom are women, applied for a work place but do not meet the requirements of the law to be granted unemployment benefits.

Foreign Ministry's Sandulescu Begins Greece Visit
AU1401184492 Bucharest ROMPRES in English
1400 GMT 14 Jan 92

[Text] Bucharest, ROMPRES, 14/1/1992—Mr. I.V. Sandulescu, state secretary in the Romanian Foreign Ministry, started a visit to Greece today, January 14. He will have consultations with the foreign minister of Greece, Mr. Andonios Samaras, in the spirit of the fine Romanian-Hellenic relations and in line with the provisions of friendship between our two countries for the growth of bilateral relations.

They will also exchange opinions on developments in Europe, the situation in the Balkans and other international issues of concern to the two countries.

Stolojan Receives Belgian Foreign Trade Minister
AU1501164192 Bucharest ROMPRES in English
1417 GMT 15 Jan 92

[Text] Bucharest, ROMPRES, 15/1/1992—A Belgian Governmental delegation led by Foreign Trade Minister Robert Urbain are visiting Romania at the invitation of foreign trade and tourism minister, Constantin Fota.

Bilateral discussions have covered the growth and diversification of trade, economic cooperation and foreign capital investment as part of multilateral and bilateral aid programmes.

A number of agreements concern first of all the improvement of the bilateral legal framework wherefore a new agreement for the promotion and guaranteeing of investment were assessed as urgent in order to help a better presence of Belgian investors on the Romanian market. Belgian authorities said they were ready to open a credit line for Romania to finance trade activities, as well as to establish joint companies and investment projects.

A new accord in tourism was also considered to provide for cooperation in investment for the development of Romania's balnear and therapeutic centers.

Romania's associate status with the Common Market was also discussed against the background of the Belgian delegation's readiness to closely cooperate with Romania in the economic and political spheres.

"Today's Romania is a new country that needs support to continue on the road to the market economy and democracy," said Robert Urbain, minister of foreign

trade of Belgium, after his interview on Wednesday [15 January] morning with Theodor Stolojan, prime minister of Romania.

The Belgian minister said his visit to Romania, the first on a ministerial level, was aimed at probing into modalities of developing bilateral ties and into possibilities of promoting Romanian-made products in the market of the European community. He said there were several areas of interest to be capitalized, for which purpose one needs a strong will as well as financial means. In that context, the Belgian minister said Belgium had secured financial means to be confirmed in 1992 both on a bilateral plane and within the European community.

During the interview, the Romanian prime minister outlined the current stage and the evolution of the reform process, as well as the problems facing the country in the transition period. The guest encouraged Romanian authorities to further that process and promised Belgium's full support on a bi- and multilateral plane.

The two collocutors highlighted the fact that the privatization process was a top priority. They also looked into areas of direct cooperation between Romania and Belgium, such as transport, telecommunications, machine building, agriculture, tourism and others. The fact was underscored that there were projects of partners in the two countries to be supported through a financing line granted by Belgium.

Government Modifies Decision on Egypt's Debt
AU1301134792 Bucharest ROMPRES in English
1154 GMT 13 Jan 92

[Text] Bucharest, ROMPRES, 13/1/1992—The Romanian Government endorsed a number of modifications of the decision 728/1991, approving the understandings between Romania and the Egyptian authorities on the regulation of the uncollected debt of the Arab Republic of Egypt towards Romania that fell due on 31 December 1990.

The modifications refer to the opening of letters of credit and to home settlements of accounts for goods imported on behalf of the debt and were made to stimulate economic agents to take over the respective goods as soon as possible.

According to the new regulations, home settlements of accounts will be made at the rate of exchange of the day the imports are settled through the Romanian Bank of Foreign Trade, with a bonus of 45 per cent for medicine, rice, and children food, of 25 per cent for a number of imports of raw materials and 15 per cent for imports of goods sold to the population as such.

International**UN Liaison Officers Arrive Belgrade 14 Jan***LD1401140592 Belgrade TANJUG in English
1303 GMT 14 Jan 92*

[Text] Belgrade, January 14 (TANJUG)—A group of U.N. liaison officers sent by the United Nations under the Security Council decision arrived to Belgrade by special military plane at 45 minutes past noon on Tuesday.

The group, headed by Australian Colonel John Wilson, was met at the Belgrade airport by secretary of the State Committee for Cooperation with U.N. representatives Mile Pesut, State Committee member Maj.-Gen. Slavko Jovic, Yugoslav Army operative group head for cooperation with the peace forces, as well as U.N. resident coordinator in Belgrade Ambassador Constante Muzio.

A second group of officers is due in Zagreb from Vienna, via Graz. Zagreb is the capital of the secessionist Yugoslav Republic of Croatia.

State Committee Meets Officers*LD1501094492 Belgrade TANJUG in English
0312 GMT 15 Jan 92*

[Text] Belgrade, Jan 14 (TANJUG)—The first meeting of the Yugoslav State Committee for Cooperation with the United Nations and with part of the U.N. mission of observers, made up of liaison officers who arrived in Belgrade this afternoon, was held here tonight.

The group of officers, headed by Col. John Wilson, is divided into six subgroups, for Dalj, Sid, Banja Luka, Bihac, Knin and Bileca. The officers are scheduled to leave to their destinations on Friday [17 January]. The command group would be seated in Belgrade, while a group working at the General Staff of the Yugoslav People's Army (JNA) would also be set up. On behalf of the State Committee, the U.N. observers were welcomed by Lt.-Gen. Andrija Raseta, who pointed out that all men of good will in this country, together with the JNA leadership, had invested concerted efforts for a ceasefire to be implemented in crisis areas, for the truce to become stabilized and conditions created for the beginning of a U.N. peace operation.

"We acknowledge your experience in similar missions, but, as a soldier, I find it my duty to point out for you the complex character of the new environment you have just entered, especially hoping that, in the capacity as U.N. observers, you would successfully resist the possible pitfalls of premature conclusions about the very stratified relations in Yugoslavia and that you would not succumb to the influence of an already very large amount of misinformation," said Lt.-Gen. Raseta.

Chief of the U.N. mission of observers Col. John Wilson voiced content with the preparations so far for the action of liaison officers when he particularly underscored the

role of JNA members in the full guarantees of security for all members of the mission.

Col. Wilson asked the State Committeemen to inform his mission about the latest situation in crisis areas, and Lt.-Gen. Raseta advised them thoroughly, mentioning that the Sarajevo January 2 ceasefire was being observed rather well, except for individual incidents. He added that the JNA members were ordered not to fire back except for special cases.

Before the JNA would fire back, said Lt.-Gen. Raseta, the violations of the ceasefire had to be averted in different ways, like through direct contacts with the Croatian side and up to the demands for the European Community mission to intervene. "I hope your arrival would help stabilize the truce. We expect you to extend assistance to either side for the ceasefire to hold and truce to be strengthened," said Lt.-Gen. Raseta. At the meeting tonight, member of the State Committee Maj.-Gen. Slavko Popovic familiarized the liaison officers with the technical preparations for the activity of the advance U.N. peace group.

Jovic: UN Troop Deployment Will Lead to Peace*LD1501071992 Belgrade TANJUG in English
1728 GMT 14 Jan 92*

[Text] Belgrade, January 14 (TANJUG)—The deployment of U.N. troops in Yugoslavia leads to peace, member of the Yugoslav State Commission for Cooperation with the United Nations Major General Slavko Jovic said on Tuesday. General Jovic, who earlier headed U.N. peacekeepers in Iraq and Iran, told journalists that his experience in the U.N. gave him confidence in the professionalism, conscientiousness and neutrality of the U.N. peacekeeping forces.

The first group of liaison officers arrived in Belgrade around noon today by a special Air Force plane. The group was sent following a U.N. Security Council decision to that effect. Another group is due to arrive later in the day in Zagreb, the capital of the breakaway Republic of Croatia, from Vienna, via Graz.

Colonel John Wilson of Australia, who heads the mission, told journalists after landing at the Belgrade airport that the group comprised "some fifty liaison officers coming from three other U.N. missions—in Kuwait, Angola and Middle East." Informing journalists about some details of the engagement of the group of officers, General Jovic pointed out that a four-member command group, headed by Colonel Wilson, would be coordinating the activities of the groups in Zagreb and Belgrade. The command group will be spending seven days in Zagreb and Belgrade alternatively, he said.

"The U.N. liaison officers will be attached to the commands of some corps of the Yugoslav People's Army, and the General Staff and the headquarters of Croatian National Guard units, i.e. where decisions are made and controversial questions settled," said General Jovic. He

also explained that the group of officers who arrived in Belgrade would leave for towns in eastern Slavonia, Bosnia-Herzegovina and the Republic of Serbian Krajina as early as Wednesday while three of them would remain at the Belgrade-based general staff. The group which arrived in Zagreb would be deployed in towns throughout the republic.

General Jovic said that the liaison officers would remain in Yugoslavia until the arrival and deployment of U.N. peacekeeping troops. Commenting on the concept of concentric circles for the deployment of blue helmets, General Jovic described it as "interfering with the sovereignty but not with the authority of Krajina's Serb population," and assessed it as good. General Jovic expressed confidence that the commander would deploy peacekeeping troops so that the outward circle would almost certainly include the line of separation between the warring sides.

President of the Republic of Serbian Krajina Milan Babic has rejected a plan proposed by the U.N. secretary-general's special envoy Cyrus Vance that blue helmets be deployed deep into Krajina's territory, accepting only their deployment along the line of separation. On December 19, Serbs in Krajina proclaimed their own republic within the administrative borders of Croatia in response to Croatia's decision to secede from Yugoslavia. Last spring, Serbs in Croatia voted in a referendum for remaining in Yugoslavia.

The referendum was held after the current Croatian authorities, who won the 1990 multi-party elections, proclaimed Serbs in that republic a national minority.

EC Conference To Include Only Republic Delegates

LD1401185892 Belgrade TANJUG in English
1824 GMT 14 Jan 92

[Text] Brussels, January 14 (TANJUG)—The Secretariat of the Conference on Yugoslavia confirmed on Tuesday that three commissions of experts of the conference would meet here on Wednesday. The meeting will be attended by representatives of the six Yugoslav republics, but not by those of federal bodies.

This was agreed during a meeting of chairman of the conference Lord Carrington and the presidents of the Yugoslav republics here last Thursday. The participants also agreed on the resumption of the conference, although a new plenary session has not yet been scheduled. The conference and the work of its groups was discontinued early in November. The working groups, whose composition is currently incomplete, have now resumed work.

Carrington clearly showed during the latest plenary session that he no longer counted on Yugoslavia in the future work of the conference and invited only the six republican presidents to attend.

Three commissions of experts—for institutional questions, for the equal rights and for economic relations—were set up at the very beginning of the work of the Yugoslavia conference.

At their earlier meetings, the Yugoslav Republic of Slovenia insisted that a fourth commission also be set up to regulate Yugoslavia's state and material heritage. According to well-informed conference sources, Slovenian President Milan Kucan repeated the demand in Brussels last Thursday and Croatian President Franjo Tudjman supported him but Carrington turned it down.

The Republics of Slovenia and Croatia decided late last June to secede from Yugoslavia and requested international recognition towards the end of last year.

FEC Protests Exclusion

LD1401175992 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1621 GMT 14 Jan 92

[Text] Belgrade, 14 Jan (TANJUG)—On behalf of the Federal Executive Council [FEC], its vice president, Aleksandar Mitrovic, sent a letter to Lord Carrington, the chairman of the Conference on Yugoslavia saying:

"Let me greet you on behalf of the Yugoslav Government and express our thanks for your efforts and the contribution that you made for the settlement of the Yugoslav crisis and for the finding of a solution acceptable to all Yugoslav nations. As you know, from the very start the Yugoslav Government has been supporting the conference on Yugoslavia and your personal efforts to make it successful and effective. The government, as you know, did it through the participation of its representatives at plenary meetings of the conference and in its working bodies. However, I have to conclude with regret that representatives of the Yugoslav Government are no longer invited to attend meetings of the conference, nor meetings of its working bodies. Regardless of the fact that certain republics expressed their intentions to secede, the Yugoslav federation still exists as a subject of international law and as a factor of international powers and duties.

"The regulating of new relations among the republics or the definition of their reciprocal relations within the framework of a future association is not possible in the absence of a continued and active participation of the representatives of the Yugoslav Government. An agreement whereby individual republics may leave [napustanje] the Yugoslav community and the settlement of reciprocal relations and commitments also presupposes the participation of the organs of the Federation. This same applies to a number of internal issues that relate primarily to: consistent implementation of the right to self-determination of all Yugoslav peoples, border settlement, human rights and minority rights, the citizenship problem, the future of millions of people who neither can nor wish to be detailed into narrow national

borders, succession with regard to international agreements, property, debts, public property, archives, protection of the rights of third parties, and so on.

"Proceeding from the above, it is unacceptable that the Yugoslav Government and its representatives should not take part in the work of the Conference on Yugoslavia. I would ask you to consider this issue and, as earlier, routinely invite the representatives of the Yugoslav Government who, we are sure, will contribute to the successful work of the Conference on Yugoslavia. The representatives of the Yugoslav Government know best where points of contact and identical interests of each Yugoslav republic lie".

In conclusion Vice President Mitrovic expresses his hope that the chairman of the conference on Yugoslavia will accept the stance of the Yugoslav Government.

Federal

Brovet: Helicopter Downing Due to 'Mistakes'

LD1401133792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1254 GMT 14 Jan 92

[Text] Belgrade, 14 Jan (TANJUG)—The Commission of the Federal Secretariat for National Defense has completed an investigation into the downing of the EC helicopter, and now the Federal Executive Council [FEC] commission is expected to issue its report so that circumstances that caused that tragic event should be fully clarified, it was stated at today's session of the Committee for Internal Affairs of the SFRY Assembly's Federal Chamber that discussed the air traffic situation.

Deputy Federal Secretary for National Defense Admiral Stane Brovet informed delegates of the Committee that the Commission of the Federal Secretariat for National Defense has concluded that the downing of the helicopter was a consequence of mistakes made by several bodies. According to Brovet, it was established that the Federal Air Control Administration had confirmed the Kaposvar-Belgrade route, not the Kaposvar-Zagreb route. However, the true facts regarding this incident will be known only when the FEC commission has finalized its work.

Zagreb Approved Flight

LD1501092392 Belgrade TANJUG in English 1924 GMT 14 Jan 92

[Text] Belgrade, Jan 14 (TANJUG)—Yugoslav Deputy Defence Minister Admiral Stane Brovet announced today that members of the E.C. mission who were flying the downed helicopter, had decided "in their own name" to leave the Hungarian town of Kaposvar for Zagreb "with the blessing of the Zagreb flight control, which is not authorized to permit any flights."

At the session of the Internal Affairs Board of the Yugoslav parliament, Brovet underscored that the military committee of the Yugoslav People's Army (JNA) had come to the above conclusion after its investigation of the January 7 downing of the E.C. Monitor Mission helicopter at Varazdin, a city in the secessionist Republic of Croatia.

Brovet said that the JNA committee established that the Yugoslav Federal Control Flight Administration (SUKL) had approved the helicopter's flight from Belgrade to Kaposvar on January 6, but that the pilots had not received "a green light" to fly the Kaposvar-Zagreb route.

SUKL Director Karl Drago informed the board that this federal body "gave no additional announcement about the flight from Kaposvar towards Zagreb on that tragic day."

Aide of the Yugoslav Transportation and Communications Federal Secretary Mirko Ivkovic said that the Yugoslav Government committee would complete its report by the end of the week and that all details about the tragic helicopter incident, in which five E.C. observers lost their lives, would be revealed only when this document has also been finished.

Ivkovic recalled that representatives of interested EC countries were invited to take part in shedding light on the accident from the very first day the Yugoslav Government committee started working.

Admiral Brovet qualified as "speculations" some "assessments" of the possibility of an Belgrade, the Yugoslav capital, being attacked from air. Brovet underscored that Belgrade and the area around it were protected from air-raids by the latest air defence systems and added that the Yugoslav Army would "act quickly and successfully" if "someone had the crazy notion" of attacking Belgrade.

Sky Over Belgrade 'Safe'

LD1501042292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1125 GMT 14 Jan 92

[Text] Belgrade, 14 Jan (TANJUG)—Belgrade and its outer areas are defended with several anti-aircraft systems and equipment. If, however, someone hits on an insane idea to attack Belgrade, our defense will respond in an adequate and successful manner. This was stated today by Admiral Stane Brovet, deputy Federal secretary for national defense, at a session of the Internal Affairs Committee of the Yugoslav Assembly Federal Chamber in reply to a delegate question and in reaction to the claims made by some sections of the media that the sky over Belgrade was not safe. Admiral Brovet also said that there was a great deal of speculation about this.

Kostic News Conference on SFRY's 'Real Chances'

92BA0329A Belgrade NARODNA ARMIJA
in Serbo-Croatian 22 Dec 91 pp 6-7

[Excerpts from press conference of Dr. Branko Kostic, vice president of the SFRY Presidency: "Yugoslavia Has Real Chances of Survival"—first paragraph is NARODNA ARMIJA introduction]

[Text] Immediately after conclusion of the session of the SFRY Presidency that took up the most recent decisions of the foreign ministers of the European Community at the meeting in Brussels, Dr. Branko Kostic, vice president of the SFRY Presidency, received newsmen from NARODNA ARMIJA, FRONT, and VOJNO-POLITICKI INFORMATOR—Colonels Ivan Matovic and Branislav Miletic and Lieutenant Colonels Stanoje Jovanovic, Radoljub Matovic, Dragan Simovic, and Nikola Ostojic. Vice President Kostic's preholiday interview with the military newsmen dealt mostly with a new, the third, Yugoslavia, which even as it is being born has to be defended with resolution and dignity before the resurgent forces of neofascism. We are publishing below excerpts from what Dr. Kostic had to say.

Today we had a meeting of the Presidency. We were able to examine the text of the Declaration of the European Community and the elements envisaged in connection with possible recognition of the Yugoslav republics as independent and sovereign states, those which so desire. What is beyond any dispute is that this decision of the European Community actually amounts to political legalization of unilateral acts of secession of certain parts of our country.

The question of a third Yugoslavia is also closely related to this.

Today it is already certain that the Serbian people in the Serbian districts, within the present administrative borders of Croatia, the Serbian people in Bosnia-Herzegovina [B-H], and Serbia and Montenegro, as two federal units, have opted for a new, third Yugoslavia.

This decision of the European Community could make our crisis considerably more acute and bring about an escalation of the conflict, first of all in the region of Bosnia and Herzegovina [B-H]. That is, this could happen if representatives of the Muslim and Croatian nationalities in the Assembly of Bosnia-Herzegovina adhere to their memorandum which they adopted in the absence of the deputies of the Serbian nationality, who in a plebiscite have already committed themselves to remaining in Yugoslavia. If those two nationalities and their representatives decide to seek from the European Community recognition of the sovereignty and independence of B-H, then that could result directly in armed conflict in Bosnia-Herzegovina.

And we therefore agreed to conduct the necessary talks on that topic with the most responsible representatives of all three constituent nationalities in B-H. As we see it,

the best thing at this point would be for B-H, because there is no consensus of all three constituent nationalities in favor of an independent and sovereign state, for B-H to decide to remain within Yugoslavia. In that case, B-H, Serbia, and Montenegro would be three federal units continuing a Yugoslavia from which two or three federal units are seceding. In the later phase, no one would dispute the right of the Muslim nationality to secede from [line of text missing in original] will. I do not know how the Croatian nationality in Bosnia will behave, whether it will express a desire and aspiration, say, to secede from Bosnia and annex itself to Croatia. That should not be precluded as a possibility. But the principle of the right to self-determination must be a principle that is indisputable for any nationality that is a constituent nationality in today's Yugoslavia.

Those discussions are still ahead of us, and the course the situation takes in the future will depend on what position is taken. I have just talked with Kiro Gligorov about that conclusion of the Presidency. He informed me that Macedonia has no reason whatsoever not to apply to the European Community for recognition of an independent, self-sufficient, and sovereign Macedonia, because the Macedonian people have expressed that choice in a referendum. That is why I do not mention Macedonia as a fourth possible federal unit within the new Yugoslavia, even though I am personally convinced that the Macedonian people can best and most securely build its future within Yugoslavia.

If those three federal units—Bosnia-Herzegovina, Serbia, and Montenegro—remain within Yugoslavia, it would then be up to the European Community and international community to take up the issue of secession and possible recognition of the independent sovereign parts of Yugoslavia according to their own criteria. In that connection, I think that as far as Slovenia is concerned, we would have no reason to dispute its right to self-determination, including the right to secession. But we ourselves cannot undertake to recognize Slovenia as an independent and sovereign state before we have gotten together to discuss mutual rights and obligations, including the division of assets and everything that follows therefrom.

As for Croatia, we think that the right solution is to end the armed conflicts, for the UN peacekeeping forces to be deployed on the line of division and that the territories of the Serbian krajinas be under UN protection until a final solution is found. Whether that will last five years or 25—I think at this point we should not go into that. If such a solution and agreement should be reached with Croatia, we would have no reason not to recognize the independence and sovereignty of the Republic of Croatia within those borders in which it as a state controls the territory, possesses authority, etc. [Line of text missing in original] neither possesses authority, nor can it control the territory, and it is envisaged that when the UN peacekeeping forces are deployed, the Serbian people in the krajinas would retain their own police and their own bodies of government.

Insofar as conditions are not brought about for deployment of UN peacekeeping forces and the possibility created thereby for the destiny or position and future life of the Serbian people in the Serbian krajinas within the administrative borders of Croatia to be regulated in keeping with the deployment of the peacekeeping forces—then it is obvious to us that nothing is left but for us to protect that Serbian people as a whole, that is, by force of arms. In that less favorable version, we would probably undertake very quickly to create that new and third Yugoslavia, and that could presuppose its incorporation of the Serbian krajinas.

In any case, the situation in connection with those decisions of the European Community is rather dramatic, and I think that it considerably complicates our problems. We are mightily threatened with an aggravation of the situation in the country, with real prospects for escalation and broadening of the conflict.

Our position in connection with deployment of the peacekeeping forces is very well known. That is, we feel that it would be very good if the number of UN observers were considerably increased, and that immediately. That is, not these 20 who are coming, but, if possible, let another 120 come, let us place them in the crisis areas on both sides, wherever the truce is not being complied with. We believe that they will be neutral observers, because the European observers have proven to be biased, and that they will contribute to pacifying the conflict, even though that does not suit Croatia. Croatia is taking the offensive on many fronts out of a desire to get back territory which it does not control at present. Second, we would like it very much if the Security Council should adopt in the shortest possible time a fundamental decision and agreement for commitment of peacekeeping forces and for those peacekeeping forces to gradually enter the crisis areas, those places where we have not managed to establish the truce. We should move gradually, because we already have certain areas in which the truce has nevertheless stabilized.

Any other orientation without peacekeeping forces must obviously result in armed confrontation and conflict, because it is quite certain that Croatia will be working to prepare a counteroffensive. After recognition, it will anticipate abundant help from the countries which have been helping it already, in spite of the embargo and prohibition. If the peacekeeping forces are not committed, and that is something in which we have a vital interest, then we face a long exhausting war, with rather uncertain prospects as to how it will be waged, but with very real chances of it spreading even outside the territory of Yugoslavia.

The fact that we have not already made moves toward transformation and official constitution of the government bodies of the new Yugoslavia, incidentally, is the result of a desire to maintain Yugoslavia, to preserve its continuity as an internationally recognized entity, as a member of the Organization of United Nations, because it is with Yugoslavia and those authorities that the

Security Council will be concluding treaties and agreements on commitment of the peacekeeping forces. Official creation of the new Yugoslavia from the new parts of the existing federal units would presuppose not only acquisition of everything that Yugoslavia already possesses as a legal, legitimate, and internationally recognized state, but it would also presuppose the process of renewed international recognition, including acceptance into the United Nations. Official creation of that new Yugoslavia could in a way call into question the position and status of the JNA [Yugoslav People's Army], because it is the legal and legitimate armed force of the existing state community as an entity in international law.

However, this does not mean that we are sitting and waiting. Work is being done within the appropriate specialized services to prepare the appropriate documents and even the conception of the new Constitution. As you know, certain basic elements of relations in that future joint state have been defined already in the Belgrade initiative. If our assessment at a particular moment is that we should finally undertake to set up that new governmental community, to define its borders, and so on, then commitment of the JNA so that we preserve those borders with all available means will also follow.

In that Yugoslavia, so conceived, in every version the JNA would be a legal armed force of that Yugoslavia that would come to the protection of all citizens, and therefore also republics and nationalities expressing a desire to live in that new governmental community. From that standpoint, I think that significant change and adaptations are already taking place within the JNA itself so that it equips itself, virtually on the run, to take over that function.

One of the principles which have already been defined for that new Yugoslavia is that several basic functions be performed jointly. The function of defense would be one of them. I repeat, the JNA would be the sole armed force of that new Yugoslavia. Whether there would be certain stipulations, those are matters on which the peoples remaining in Yugoslavia should agree. You know that the system of territorial defense has existed in the present Yugoslavia. I am convinced that the formation of republic armies was the far-sighted goal behind its introduction. Events have shown this. At one time, we judged this to be an exceptional virtue of the conception and doctrine of nationwide defense, but actually that territorial defense has been the force with which we came into conflict in Slovenia and Croatia.

Many people are asking today whether we have achieved the objectives of the war and whether the price has been too high. The question is whether the casualties would have been incomparably greater if we had not done what we have done. If we had accepted a war which was simply imposed on us in the manner of indifferent observation of everything that was happening, I am certain that we would very soon have had the Croatian paramilitary formations at Zemun and the Sava, just as

they very quickly came to the borders of Montenegro, until we broke them up and drove them out. Just as they are trying to provoke conflicts on the borders of Bosnia. We have had casualties, but the question is how great they would have been in a somewhat later conflict that quite certainly would have had to occur. Now that we have achieved the objectives of the war, we should look for a political solution for getting out of our crisis. And the basic political solution presupposes the right of the Serbian people to self-determination. In any case, it is more advisable and better for us to have the function of protecting the Serbian people performed by the UN peacekeeping forces than the JNA until a peaceful solution is found, because they are a better guarantee and assurance that the Croatian paramilitary formations will not again begin to prepare counteroffensives tomorrow, will not attack the Army, etc. In that case, we would have to wage a long and exhausting war, with dangers of international intervention and expansion beyond the borders of Yugoslavia.

As for replenishment of the Army, we have made the appropriate decisions. It is up to government agencies to carry them out. Where there are cases of defeatism, failure to report, desertion, and so on, the government agencies are to act in keeping with the law. I think that we will have to insist on consistent compliance with the law.

We extended the period of service for soldiers because we felt that at this point, when we are trying to obtain forces of the United Nations, that is, to terminate the military conflicts and seek peaceful solutions, there is no reason for us to proclaim a state of war and general mobilization. With this four-month extension of the period of service, we have on the one hand created conditions so that the Army, which has already achieved for all practical purposes the basic objectives of the war, could stabilize, so that it can defend what it has achieved. When Slovenia, Croatia, Macedonia, and the Muslims and Croats in Bosnia are not furnishing recruits for the JNA, we have a considerably smaller pool of military registrants already trained for particular jobs in the system of military service. Accordingly, we are now in a position of retraining for certain functions in the Army the rather large number of military registrants whom we are calling up into the reserves. We are including in those four months which we have envisaged that training of 15 days to a month and three months spent on the front. But no one who has discharged that obligation will be subject to being drafted into the Army again until all military registrants have gone through that cycle. In that way, we are guaranteeing a more uniform burden of the military obligation than up to now. The extension we introduced for soldiers was three months rather than four, because they are trained, equipped, and do not need additional training.

[Box, pp 6-7]

Any Other Army Would Have Fallen Apart

It is well known that over these last 50 years the JNA has been developed as a unique armed force whose basic orientation was to defend Yugoslavia's external borders. From that standpoint, every unit, even a quite small unit, in the JNA has all this time been a Yugoslavia in the small. By contrast with that concept for development of the Army on the political and economic plane in Yugoslavia, for almost 30 years we have been developing a completely opposite conception—formation of national economies, states within the existing republics, ethnic parties, and so on.

And instead of the Army adapting to economic and social developments, it has developed under the influence of the ruling party and supreme commander. Now that Army has all of a sudden faced the task of preventing interethnic conflicts. Everything that has happened in the form of deserting the ranks of the Army, treason, and so on, ought not to surprise a sensible person. There might be a surprise in the grand treason of the most responsible people, who, if they did not want to be in that Army, could have remained loyal citizens, not instantly come out against their own Army. That is truly extreme immorality, and it is difficult to explain.

If we also take into account the fact that that Army was compelled to free itself of traitors and potential deserters while it was carrying out operations, then we have a clear understanding of the full range of problems it encountered. It is likely that any other Army would have fallen apart under such conditions. This Army has nevertheless managed to hold on, and today it represents a strong armed force on which the peoples interested in life together can rely. That, of course, does not mean that the Army has not committed certain oversights of its own, oversights resulting from the circumstances of which I have spoken, but it is a fact that it and the top military leadership have usually been attacked for those things for which they are least to blame. It is not the fault of the Army that it is short of personnel when three or four federal units are providing recruits for the Army, or the fact that a portion of the Serbian people have been left unprotected. The victims and massacres which the Serbian people have experienced in Slavonia will have to be on the conscience of those who up to now have been defeatists the whole time and have had a destructive effect on the mobilization, on the call-up, and so on.

The public is aware that we have given full support to the top military leadership as the Presidency of Yugoslavia. We are convinced that this orientation of ours in the Presidency has actually helped the Army to go through restructuring, reorganization, and retraining while carrying out operations.

Interrepublic**Koljevic, Tudjman Discuss 'Regionalization'***AU1401153592 Belgrade Radio Belgrade Network
in Serbo-Croatian 1400 GMT 14 Jan 92**[Ljubomir Nikolic report from Sarajevo]*

[Text] Speaking at an unscheduled news conference, Professor Dr. Nikola Koljevic, member of the Presidency of Bosnia-Herzegovina, said that he had recently met with Franjo Tudjman and that they had discussed the pacification of Serbian-Croatian relations in Bosnia-Herzegovina, regionalization, and the democratic transformation of this republic. The Croatian side expressed interest in this kind of settling of the political crisis in Bosnia-Herzegovina. It was agreed that this plan also be offered to the third party, the Party of Democratic Action, Koljevic said.

He then spoke about the basis of the Serbian plan, which envisages that power be shared between the three nations in Bosnia-Herzegovina, along ethnic lines, above all, and then according to the historical and territorial principle. According to Koljevic, this would ensure the full equality of the Muslims, Serbs, and Croats in Bosnia-Herzegovina and would avoid the need for Muslims to be constantly sitting on a seesaw and having to choose between Serbs and Croats.

On the territories where they constitute a majority, people would have their institutions of authority. The affairs that are of general interest would be performed by joint institutions at the level of the republic. Asked by your reporter when the Serbs will offer a more precise solution, including a geographic map of these territories, Nikola Koljevic said that such a map can only be made through an agreement. The Serbian side will soon offer a working version of that solution.

Prior to that, at a regular news conference, Stjepan Kljucic, leader of the Croatian Democratic Community of Bosnia-Herzegovina, commenting on the meeting between Tudjman and Koljevic, repeated the old stands of this party, according to which the party favors a sovereign Bosnia-Herzegovina, a Bosnia-Herzegovina that will be a mother rather than a stepmother to the Croats.

There is no rift in our party. I can be considered one of Tudjman's men, and the more one talks the greater the chances are for a peaceful solution, Kljucic said. Commenting on Alija Izetbegovic's plan presented at a roundtable talk in Sarajevo two days ago, Stjepan Kljucic said that it could be applicable, but only later, when clashes stop and when the culprits for this war have been determined. Until then, we Croats are not interested in any type of Yugoslavia, Kljucic stressed.

Mariofil Ljubic, vice president of the Assembly of Bosnia-Herzegovina and one of the leaders of the Croatian Democratic Community, told journalists that

the Croatian Democratic Community will soon present its program of settling the political crisis in Bosnia-Herzegovina. Kljucic and Ljubic repeated the assessments of this party on the Army's presence in Bosnia-Herzegovina, saying that it represented the occupation of this republic. They denied the claims about the presence of Croatian paramilitary formations in western Herzegovina, claiming that only regular and reserve police forces were present there.

SDS Concept Explained*AU1401214792 Sarajevo Radio Sarajevo Network
in Serbo-Croatian 1800 GMT 14 Jan 92*

[Text] At a news conference today, Nikola Koljevic, member of the Bosnia-Herzegovina Presidency, confirmed that he recently had talks with Croatian President Franjo Tudjman on what he called the regionalization and democratic transformation of Bosnia-Herzegovina. Zdenko Vrenisec has a report:

[Begin Vrenisec recording] Koljevic said that Tudjman had agreed to openly discuss the regionalization of Bosnia-Herzegovina according to ethnic, historical, and territorial criteria with the ethnic criterion taking precedence. Koljevic added that there was a good chance that democratic negotiations would soon begin on this between representatives of what he called the three ethnic communities in Bosnia-Herzegovina.

The Serbian Democratic Party [SDS] is actually offering an administrative division of Bosnia-Herzegovina into national regions that would not have firm borders between them with passports and barriers [rampa]. This is, in fact, a division of powers, a division of authority, Koljevic said.

According to the SDS concept, one nation's region would not necessarily be connected into one territorial whole, but it would be legally unified. The [word indistinct] of power of these national regions would to some extent be conducted in Sarajevo and this [words indistinct].

In reply to the question of whether this kind of division of Bosnia-Herzegovina would imply three armies, three police services, three currencies, and three law-governed states, and whether, after everything, Bosnia-Herzegovina would be a state at all, Koljevic could not [word indistinct], adding that this is a question of reaching agreement, although an option already exists according to which there would be three currencies, at least in the initial period. He added that according to this option, borders with Croatia and Serbia would also be without passports and customs and that this concept of division would be offered as a transitional solution. [end recording]

Slovenia

Diplomatic Relations With Germany Established

*LD1501115392 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1002 GMT 15 Jan 92*

[Text] Ljubljana, 15 Jan (TANJUG)—The governments of the Republic of Slovenia and of the FRG have agreed to establish diplomatic relations at the embassy level from today, the Slovene Foreign Ministry announced today.

The statement, which was harmonized with the German side, says that notes have been exchanged between the two states and an agreement reached on the abolition of travel visas for Slovene citizens travelling to Germany and for German citizens travelling to Slovenia.

According to this agreement, which comes into force today, Slovene citizens will be able to travel to Germany with either a Slovene or a Yugoslav passport. A visit without a visa will be restricted to three months. The same applies to German citizens visiting Slovenia.

Minority Issue Delays Italy's Recognition

*AU1401214092 Ljubljana Radio Slovenia Network
in Slovene 1800 GMT 14 Jan 92*

[Text] After the Slovene Government announced that it will not support the draft memorandum on the protection of the Italian minority in Slovenia and Croatia, Slovene Foreign Minister Dimitrij Rupel this afternoon in Gorizia tried to reach an agreement on the disputed issues with the Italian representatives. The talks were unsuccessful. Igor Gruden reports from Gorizia:

[Begin Gruden recording] We did not succeed in convincing our Italian partners to sign a bilateral Slovene-Italian agreement on the position of the Slovene minority in Italy, simultaneously with the signing of a Slovene-Croatian-Italian memorandum on the position of the Italian minority in Slovenia and Croatia. This was stated by Slovene Foreign Minister Rupel after the five-hour marathon talks between the representatives of the Slovene and Italian Foreign Ministries, which took place in the prefecture in Gorizia. Rupel added that the two delegations—the Italian delegation was led by Claudio Vitalone, under secretary in the Italian Foreign Ministry—arrived in Gorizia with different expectations.

The Italian side arrived in Gorizia firmly determined that only the bill on the Italian minority would be discussed, because a regulated status of ethnic minorities is one of the conditions for EC recognition of new states. The Italian side is willing to adopt a sort of joint statement or perhaps an independent Italian statement acknowledging the need for speedy complex protection of the Slovene minority, but only after the signing of a bilateral agreement, which is scheduled to take place in

Rome tomorrow. Under no circumstances is the Italian side willing to sign a special document on the Slovene minority.

Although it was not explicitly stated—according to Vitalone, the Italian Government will make a decision on this on Friday—it is obvious that Italy is demanding prior endorsement of the tripartite memorandum on the Italian minority as a condition for recognition.

Rupel said with regard to timing, the recognition of Slovenia takes priority over interstate agreements on the position of the Slovene minority in Italy, which will have to be discussed as soon as possible.

The decision whether Slovenia will agree tomorrow to sign the memorandum on the position of the Italian minority will be made tonight by the Slovene leadership and the Slovene Assembly Commission for International Affairs, in the presence of the representatives of the Slovene minority in Italy.

Let me add that Under Secretary Vitalone denied that two documents were drawn up in Zagreb, that is to say, that a draft memorandum on the position of the Slovenes in Italy was drawn up as well. This is not true, however, because the Slovene minority in Italy and the Assembly Commission have both reacted to the proposal of a document that was prepared in Zagreb and entitled a draft memorandum on the position of the Slovene minority in Italy. It seems that at the very last moment the local circles that are adverse to Slovenia were also making decisions. [end recording]

Peterle Addresses Assembly

*LD1401195992 Zagreb Radio Croatia Network
in Serbo-Croatian 1800 GMT 14 Jan 92*

[Report from Ljubljana by Nenad Stazic]

[Text] Slovene Prime Minister Lojze Peterle addressed deputies in the Slovene Assembly at 1745. He explained what has turned out to be controversial points in the text of the memorandum on the rights of minorities, just one day before the announced Italian recognition of Slovenia. The memorandum, Peterle said, does not treat as equals the Slovenes in Italy and the Italians in Slovenia and Croatia. Dimitrij Rupel, minister of foreign affairs of Slovenia, and Claudio Vitalone, under secretary of state for foreign affairs of Italy, are having talks on this problem in Gorizia. In the current pressure of time, one day before expected recognition, Slovenia will not be signing documents to the detriment of its minority.

Debated Issues Viewed

*AU1501122092 Ljubljana Radio Slovenia Network
in Slovene 0600 GMT 15 Jan 92*

[Text] Slovenia and Italy have failed to agree on the protection of the Slovene minority in Italy. After yesterday's unsuccessful meeting between Slovene Foreign Minister Dimitrij Rupel and Italian Foreign Under

Secretary Vitalone, at which they were supposed to coordinate the text of the memorandum on the protection of the Slovene minority in Italy, the problem was also discussed by the Assembly Commission for International Relations last night. The debate was long and concluded that Dr. Rupel should not leave for Rome today to sign the memorandum on the protection of the Italian minority in Slovenia and Croatia. Here is a report by Edo Zitnik:

[Begin Zitnik recording] Last night's debate was certainly difficult, because the participants were aware that Ljubljana's concessions in a sensitive matter such as the Slovene minority in Italy would mean a dangerous compromise. At the same time, it was quite clear that Slovenia's present situation, in which it certainly wants and needs to be recognized by Rome, dictates cold-blooded pragmatism. Most conscious of this was Dr. Dimitrij Rupel, who did not at all want—as some members of the commission suggested—just to visit his dear friend [Italian Foreign Minister] de Michelis in Rome today and explain to him that Slovenia cannot sign the document on the protection of the Italian minority in Slovenia and Croatia because it was demanding the same treatment for the Slovenes in Italy. It was certainly clear that Rome would interpret such an action as an unfair gesture by Ljubljana and might therefore choose the cynical and, for Slovenia, nevertheless not insignificant, trump of delaying its recognition. It was nowhere, in fact, said that Rome would really react in such a way, and de Michelis has publicly promised recognition. This was, however, after de Michelis himself has already promised much and fulfilled little, so caution is certainly in order.

The commission, which at first was almost completely opposed to any yielding to Italy, therefore [word indistinct] to Rome—regardless of Dr. Rupel's warnings—has already, after the speech by the representative of Slovenes in Italy, felt a possible way out of the [word indistinct] situation. After he presented his proposal—according to which Dr. Rupel would sign the agreement in Rome tomorrow, but would postpone its realization—and after the matter was weighed exhaustively, Prime Minister Peterle's proposal prevailed, according to which Dr. Rupel should inform de Michelis that he will not visit Rome today and that, therefore, we will, at least for the time being, not sign the memorandum on the protection of the Italian minority in Slovenia and Croatia, but that Slovenia is certainly going to respect its provisions. At the same time, we would suggest to Italy the continuation of the talks about the position of the Slovene national group in the Trieste region. It seems that this rather brave stand was also helped by Prime Minister Peterle's information—which was then confirmed by Dr. Rupel as well—that all Twelve will recognize us on 16 January, that is, including Italy. [end recording]

Drnovsek 'Mentioned' as Prime Minister Candidate

LD1501115192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1006 GMT 15 Jan 92

[Excerpts] Ljubljana, 15 Jan (TANJUG)—Judging by the demand put forward by both ruling and opposition parties in Slovenia, and in view of events on the internal political scene Slovenia may soon—and possibly even next week—get a new prime minister. Dr. Janez Drnovsek has recently been mentioned more and more often as the most serious candidate for the office. [passage omitted] According to unofficial indications, Dr. Drnovsek needs just over 10 additional Assembly votes to secure certain election.

Dr. Drnovsek has said that he will make and announce his decision whether or not he will accept becoming the new Slovene prime minister by the end of this week. [passage omitted]

Results of Democratic Party Congress Viewed

92BA0325B Ljubljana DELO in Slovene 23 Dec 91 p 2

[Article by Vinko Vasle: "The Slovene Authorities Are Threatened by Paralysis and Complete Disintegration"—first paragraph is DELO introduction]

[Text] It seems that the newborn Democratic Party will have an important influence upon changes on the Slovene political scene; well-known names in the party.

Ljubljana, 22 Dec—For observers at the first Democratic Party congress, the day-long event confirmed the belief that Slovenia has gained a new, very powerful party that is respected among the public. Demos is dead, long live Demos—that is the best description of what accompanied the formal birth of a party that will have a significant impact upon the Slovene political scene.

Although individuals spoke well of Demos as "a joint destiny in important times," the words that the time has come for new coalition ties—voiced, among others, by Dr. Jozse Pucnik—are noteworthy. The new party, which was born from the collapse of the Slovene Democratic Alliance, warned as early as two months ago, after the traumatic separation from Pirnat's National Democrats, that the time of Demos was inevitably ending and that this party would have a significant influence upon changes in the Slovene political scene.

Behind the scenes of a very prosaic and formal congress, one could perceive much more than just the emergence of one more Slovene party. As Igor Bavcar said, it was the result of solid and thorough work. A full two months after the "separatist" departure of dissatisfied people from what is now Pirnat's party, the party's provisional leadership has succeeded in organizing 37 opstina committees and two regional ones, and the membership has exceeded 1,500. Several well-known names have also entered the party—in addition to Jelko Kacin, we also saw at the congress a new member of the party, former

Deputy Prime Minister Dr. Jozе Mencinger, along with Dr. Tine Hribar and others.

Igor Bavcar, to be sure, acknowledged that "the Demos enterprise in which we participated is also our enterprise, and its balance-sheet is also our balance-sheet.... That is why we share responsibility for today's situation, but it would be wrong if, in spite of the mistakes, we persisted in the old way and did not see the necessity of changes." According to Bavcar, that could happen, "since it is obvious that authority is the only enterprise in which people persist even if it is going badly, as long as they are in on it," and in accordance with the slogan that "it is not important if he is illiterate; it is important that he is ours." That is why those who are most opposed to changes today are not black, red, blue, or green, but rather incompetent, and he would say, "illiterate." And those who could turn things around, in Bavcar's opinion, will have to prove their competence much more than their political color.

Bavcar was critical of the Slovene government, which was not capable of correctly confronting the deterioration in the economic situation, and which lacked a strategy, something which has led to its becoming incapable of ruling. In his opinion, the Slovene authorities are at the point of ceasing to function even within the most elementary scope. Political life is having more and more to do with prestige and not with expertise. That is why it is necessary to encourage and organize all those valuable, creative, and capable people equipped with knowledge, and include them in strategically planned activity for the development of the new state, in which there are no longer blacks and reds, but only citizens of Slovenia.

Dimitrij Rupel said that they had given warnings about those "characteristics" earlier.

"When we criticized the government for poor coordination, they began to drive us out of it. We said that the economic ministry was functioning poorly, and we received the answer that the foreign minister should be replaced. We said that the presidential adviser's interview had damaged the bank's reputation abroad, and they said that the damage abroad was done by the one who said it at home." All of this, Rupel said, reminded him too much of the times when he was a dissident himself.

The Democratic Party, which chose the ladybird, "a little animal that brings happiness" and that has many symbolic meanings in popular belief, as its trademark and symbol, is thus prepared for the challenges of the times that are coming.

[Box, p 2]

Among other things, the congress elected four presidents: Tine Hribar, France Bucar, Dusan Kebr, and Rudi Selig. As the members of the main committee, it elected Jelko Kacin, Barbara Segar-Ceh, Igor Bratina, Drage Zajc, Dusan Orazm, and Valeri Jakovec. The members of the

oversight committee are Andrej Razdrih, Angel Nemec, Bogdan Mahne, Ivan Kebric, Tomaz Pisanski, Jure Bedenk, and Bojan Fink.

Republic's Economic Forecast for 1992 Reported

92BA0330B Ljubljana DNEVNIK in Slovene
27 Dec 91 p 3

[Article by Marjan Lacic: "1992 Slogan: Exports, Exports...."—first paragraph is DNEVNIK introduction]

[Text] The negative growth of the social product will continue; there are three scenarios for the Slovene state's development possibilities next year.

Ljubljana, 27 Dec—The end of the year is probably the best time to assess the period that is behind us and to make predictions for the period that is ahead of us. Thus, the Slovene government, at the beginning of December, also presented the Assembly and the public with a program for economic and social policy in 1992, which is based primarily on the assessed results from this year and the results of social trends in past years. With respect to Slovenia's development possibilities next year, the government has foreseen three scenarios, but there is no positive growth of the social product in any of these variants. Although scenarios foreseen did not exactly meet with enthusiastic responses from the public, in view of the fact that the social product has already been falling since 1987 (and most intensively in the past two years), it would probably be unrealistic to expect positive growth as early as next year.

1991—A Catastrophic Year

What are the most important factors that will affect economic growth in 1992? The development trends with which the Slovene economy is going into next year are extremely unfavorable. According to the current assessments, this year total imports of goods and services will decline by 9.5 percent, and exports by 10 percent. Sales to other Yugoslav republics, which in 1990 meant almost 25 percent of the Slovene economy's total sales, should decline this year by almost a third. Also expected to decline this year are personal consumption (personal incomes per employee by 9 percent), public consumption (by 32 percent), and investments (by 16 percent). Unfortunately, there has only been an increase in unemployment (by 9 percent), so that the number of people unemployed has reached the figure of 73,000, which means 8 percent of the active population.

How To "Keep" Yugoslavia

The main factor and at the same time one of the greatest unknowns that will have an extremely important influence upon economic growth in 1992 will be the intensity of the closure of markets in the republics of the former Yugoslavia, and at the same time, the success of the Slovene economy's reorientation toward exports. In this regard, the government feels that next year the structural

changes resulting from the planned macroeconomic policy program will not yet make a revival of economic growth possible. The first and second scenarios for development possibilities in 1992 were prepared on the assumption that the loss of the Yugoslav markets will still continue next year, but that at the same time there will not be a complete economic blockade. The first scenario assumes a further 14 percent real decline in the volume of sales to the Yugoslav market, which would mean another 6.5-percent reduction in the social product next year. The second, more realistic and even more unfavorable scenario, provides for a 20-percent real decline in sales in Yugoslav markets, which would mean a 12-percent reduction in the social product. The third scenario is based on the first, but allows for the favorable effect of fresh funds from abroad, in the amount of \$200 million. In spite of this, the real decline in the social product would be 5 percent according to this scenario, but with just another 3-percent increase in unemployment, we could keep a zero growth of personal incomes per employee.

1992—A Transitional Year

Consequently, next year it will not be possible to halt immediately all the negative trends that have been particularly manifested this year. A continuation of the negative trends will probably also be influenced by the world recession, which fortunately, at least in Europe, did not continue in the second half of 1991 as well. Because of all the negative factors and the extremely poor legacy from this year, next year economic policy will have to "choose" just a few priorities, but positive shifts would have to be achieved in the chosen areas. In spite of all the obstacles and blockades and the war, we

would have to keep as much as possible of the solvent market in other republics of the former Yugoslavia. Above all, we would have to increase exports radically, in which respect the equilibrium exchange rate policy, of course, will be of crucial importance. On the other hand, we would have to moderate import trends and achieve a surplus in the foreign trade balance. Certain measures in the second half of this year have shown that this is quite possible.

Monetary policy will also be extremely important in reviving economic growth. Some recent earnings (the purchase of socially owned apartments) indicate that the population still has large amounts of money at home, but also in foreign banks, which our economy could profitably use. Of course, it is necessary to attract tolaars (which has been successful recently), and above all foreign exchange, through appropriate interest rates. At the same time, monetary policy has to preserve the real value of the domestic currency, and contribute to reducing inflation. It will certainly also be necessary next year to keep public spending at approximately this year's level (about 50 percent of the social product), and not increase it to as much as 70 percent, as the government proposed in its draft budget for next year.

All of these goals are feasible, with international recognition of Slovenia, which is already almost a guaranteed fact. Next year it will also be necessary to carry out additional reforms in the political and parliamentary area on the basis of the new constitution. Recently the biggest enemy of all the more important changes has been precisely the Slovene parliament, where too often the deputies have been involved with each other and their petty interests.

Possible Scenarios for the Macroeconomic Framework of the Development of the Republic of Slovenia in 1992

	Achieved in 1989	Achieved in 1990	1991 Estimate	Possible 1992 Framework			Real Growth Rates (percent)
				Scenario I	Scenario II	Scenario III	
I. Economic relations with foreign countries:							
Growth in exports of goods and services	5.8	17.3	10.0	18.0	22.0	18.0	
Growth in imports of goods and services	9.4	37.1	9.5	5.0	15.0	10.0	
Share of exports in net social product	46.5	48.7	45.5	57.5	63.0	56.5	
Balance of exports and imports of goods and services in comparison with social product	12.5	5.9	5.3	12.0	10.5	10.0	

Possible Scenarios for the Macroeconomic Framework of the Development of the Republic of Slovenia in 1992
(Continued)

						Real Growth Rates (percent)
2. Economic relations with the Yugoslav republics:						
Growth of sales to other Yugoslav republics			- 32.0	- 14.0	- 20.0	- 14.0
Growth of purchases from other Yugoslav republics			- 30.0	0.0	- 7.0	0.0
Share of sales to other republics in net social product	75.9	78.9	60.5	55.5	55.0	54.5
Share of purchases from other republics in net social product	70.7	65.8	51.9	55.5	55.0	54.5
Balance of sales and purchases from other republics in comparison with social product	5.2	13.2	8.6	0.0	0.0	0.0
3. Slovenia's social product:	- 0.5	- 7.0	- 11.0	- 6.5	- 12.0	- 3.0
4. Employment:						
Growth of employment	- 1.2	- 3.8	- 9.0	- 6.0	- 9.0	- 3.0
Number of registered unemployed, average per year in thousands	28.2	44.6	73.5	103.1	125.5	80.7
Unemployment rate (percent of active population)	2.9	4.7	8.0	11.4	13.9	8.9

Croatia

Republic Fails To Pass EC Recognition 'Test'

LD1401182392 Belgrade TANJUG in English
1613 GMT 14 Jan 92

[Excerpt] Paris, January 14 (TANJUG)—Croatia has not passed the test of the Arbitration Commission of the European Conference on Yugoslavia. The commission was to determine which of the four Yugoslav republics which requested international recognition fulfilled requirements set by the European Community. [passage omitted]

Opposition Parties Oppose Censorship Decree

LD1501054692 Belgrade TANJUG in English
1731 GMT 14 Jan 92

[Text] Zagreb, January 14 (TANJUG)—Opposition parties which have seats in the parliament of Yugoslavia's

breakaway Republic of Croatia on Tuesday demanded that the decree issued by Croatian President Franjo Tudjman on media censorship be revoked and that operation of independent radio and television stations be made possible.

Censorship was introduced in Croatia early in November with an explanation that the media stimulated defeatism among the Croatian people. The representatives of opposition parties especially criticized the reporting by Croatian Television and called for new, "legal election" of the director of the house. Croatian Television is currently headed by activist of the ruling Croatian Democratic Union Anton Vrdoljak.

As reported by the Zagreb weekly DANAS, Croatian Television's leadership, dissatisfied with the fact that all historical movies depict Germany as the aggressor, recently banned their broadcasting.

TANJUG Reports 'Quiet Night,' Few Violations*LD1401134692 Belgrade TANJUG in English
1259 GMT 14 Jan 92*

[Text] Belgrade, Jan 14 (TANJUG)—It was another quiet night on the fronts in Croatia, according to military sources. Only four incidents of provocation by Croatian paramilitary formations were registered in the regions of Baranja. Fire was returned from infantry weapons.

There were no serious ceasefire violations this morning, according to reports of TANJUG's reporter who invokes military sources. Croatian radio, under censorship decreed by the Croatian president, reported minor ceasefire violations on certain battlefronts.

Croatian radio briefly reported this morning that "Around midnight, the enemy from Baranje fired several mortars on positions of the Croatian Army in Podravlje." The radio did not say whether the Croatian side returned fire.

According to Croatian radio, it was also quiet in the vicinity of Osijek. The radio carried a statement of "deputy spokesman of the European monitor mission" who denied the news that members of the monitor mission were the target of sniper shots yesterday. The monitor mission was touring Croatian positions around Osijek. The news was carried by radio this morning.

There were no ceasefire violations on the battlefronts in Banija and Kordun, according to information which journalists could receive from the press center of the Yugoslav People's Army (JNA) operative group for this region, headquartered in Dvor na Uni. During the past night and early this morning, it was quiet on the fronts between the Danube and the Sava rivers, as learned from sources close to the military command near Sid. The ceasefire was observed on the Dubrovnik-Hercegovina fronts over the past 24 hours, with the exception of certain provocations by Croatian forces from artillery weapons.

Croatian radio from this part of the front, however, claims that "there was shooting in Dubrovnik area proper last night from enemy positions." The radio said that "The shooting can probably be ascribed to the celebration of the Orthodox New Year rather than to violations of the ceasefire agreement."

Violation Reported in Kordun*AU1401200092 Belgrade Radio Belgrade Network
in Serbo-Croatian 1400 GMT 14 Jan 92*

[Sinisa Stamatovic report]

[Text] The Serbian New Year was marked in Kordun at midnight with guns being briefly fired into the air. There were no major celebrations because there is no reason for them. Yesterday and today, Kordun paid its respects to four of its fighters killed by the Ustasha on the border with Bosnia-Hercegovina.

Proof that the cease-fire is being violated in this area was given by the mortar projectiles that Tudjman's fighters fired last night from their stronghold in Pokupska Blatnica toward the Kordun fighters. Respecting the latest Sarajevo cease-fire, the liberation forces did not respond even to this provocation.

As we learned today from the unit of Lieutenant Colonel Momcilo Momcilovic, the peace has been fully respected in this brigade's area since 3 January. Direct lines have been established with representatives of the Croatian paramilitary. All this has the purpose of maintaining the 15th cease-fire until the arrival of the blue helmets.

Special commissions have been set up under the auspices of the responsible commands which should settle any possible quarrels between the warring sides. Let us say, finally, that representatives of the European mission are expected in Vojnic today. Representatives of the military authorities say that their arrival in the Kordun area is also intended to maintain the truce. This does not, of course, mean that the Ustashes will not make themselves known this evening from their Karlovac stronghold, since their commanders do not yet have full control over their paramilitary forces.

Biographies of New Government Officials Published*92BA0291A Zagreb VJESNIK in Serbo-Croatian
6 Dec 91 p 6*

[Unattributed article: "New Members of the Croatian Government"]

[Text] New members of the Croatian Government, who were unanimously given a vote of confidence, have been presented to the deputies in the Assembly.

Dr. Zdravko Sancevic has been selected as the new minister for emigrants. He was born on 30 January 1930 in Crkvena, in the Toslic district. Together with his parents—his father was a lumber industrialist in Bosnia—he left Croatia back in 1945. He graduated from secondary school in Venezuela, and continued his education as a Shell scholarship recipient at the Colorado School of Mines and Pennsylvania State University, graduating in 1957 as a petroleum engineer. He received his Master of Science degree in 1961, and his Ph.D. in 1976. He worked for a full 30 years in Venezuela's oil industry as an engineer, manager, vice president, and member of the enterprise's board of directors. He is the founder of the oil engineering school at Venezuela's central university, a professor there, and at one time its director. He has published about 30 technical studies at various congresses and meetings. He speaks three foreign languages. He has been active among Croatian emigrants as an organizer and leader of Croatian institutions and societies; he has visited our communities in the United States, Canada, Australia, and Europe, and he has also cooperated in several publishing projects intended for Croatian emigrants. He is the father of eight grown children. He has been awarded the "Buen Ciudadano" (Good Citizen) medal, the Order of Francisco de

Miranda, and an award for his career services, and he is also a member of the Petroleum Honorary Fraternity. He came to Croatia as a volunteer in the National Guard Corps, and for the last three and a half months he has been a special adviser in the Ministry of Information. He came to his homeland at his own initiative, wishing to participate on the Croatian front as a fighter.

Jurica Pavelic has been appointed Croatian deputy prime minister, responsible for economic issues. He was born on 20 July 1947 in Smiljane, in the Gospić opština, and graduated from the Zagreb Economic School in 1969. He is of Croatian nationality, a member of the HDZ [Croatian Democratic Community], and the father of two children. After completing his studies, he did volunteer work at TRV [expansion not given] in Zagreb, and worked as a lawyer and official at Auto-centar in Zagreb, and also as the head of accounting at DLP [expansion not given] in Turopolje. Then he worked for Exportdvo, where for a while he was the financial director, and also the director of the Foreign Trade OOUR [basic organization of associated labor]. After returning from New York, where he was an Exportdvo director, he also became the general director of that enterprise. Since April 1991, he has been the director of the Croatian Development Fund, and since August of the same year, he has also been acting director of the Agency for Restructuring and Development.

Dr. Stjepan Zdunic has become the minister for economic development in the government of the Republic of Croatia. He was born in 1935 in Bicko Selo, in the Slavonski Brod opština. He graduated from the Zagreb Economic School. He received a master's degree in the field of economic analysis and development planning at the Institute for Economic Research in Belgrade in 1968, and received his doctorate in Zagreb in 1974, with a thesis in the field of regional and local economies. Since 1982, he has worked continuously at the Zagreb Economic School. He has engaged in research on regional, local, and urban development, and in macroeconomic analyses. He has headed numerous research projects of a regional and global nature. He has also been the head of a large interdisciplinary research project on the "Scientific Foundations of Croatia's Long-Term Socioeconomic Development." He has been a member of many technical advisory bodies in Croatia and the former federation. He has published several articles and essays in professional journals in the fields of economic theory, analytical methods and development policy, and the theory of planning. He has received professional training in the United States, and participated in many symposiums and seminars abroad. He is a Croat by nationality, and the father of two children. He has never been a member of any political party.

Strength of Croatian Armed Forces Assessed

92BA0329B Belgrade POLITIKA in Serbo-Croatian
29 Dec 91 p 6

[Article by Radovan Pavlovic: "What Is the Strength of the Croatian Army?"]

[Text] "We can lose battles, but we must not lose minutes," the famous General Napoleon said on one occasion. When the balance sheet is drawn up of the warfare conducted for half a year on the fronts in Croatia, one is first struck by the fact that the Croatian war cabinet has been guided very closely by Napoleon's maxim.

When the conflict flared up—incidentally, the opposition reproached the ruling party for this—Croatian defense became an uncertain shield on which casualties arrived at Croatian homes every day. The Croatian defense "cracked" with any serious offensive by the federal Army, recording a series of failures. A third of Croatian territory has remained outside the reach of its armed forces, and those who are boldest in the ranks of the opposition dealt the general staff a slap in the face after the fall of the city on the Vuka by cynically noting that the Croatian armed forces have continued to advance in the direction of—Zagreb.

However, in spite of the defeats on the battlefield, the Croatian military strategists have nevertheless managed to create a Croatian army at the price of high casualties. Any very careful analysis will, of course, show that the beginnings of the Croatian armed forces date back many years. But since the beginning of this year, after the notorious discovery and the film of the Federal Secretariat for National Defense [SSNO] about Spegelj's scenario for an armed uprising in Croatia, the Croatian war command has not lost a second. Large-scale distribution of weapons, mainly imported, to so-called detachments of the unarmed population began through the party channels of the Croatian Democratic Community [HDZ]. There were many more shoulders than Croatian rifles (there is a famous slogan uttered by an advocate of the republic Army: "A Croatian machine gun on a Croatian shoulder"), and there was nervousness and panic in the war command. There were harsh reproaches to the effect that someone in the top leadership of the HDZ had put in his pocket the money that had arrived from the emigre community.

In order to "cleanse" himself for the benefit of the population, Martin Spegelj, minister of war, tried to put the blame for the arms shortage on the communist leader Ivica Račan, who until the day before had been a comrade in the same party. He provoked him to speak out with the clearly stated assertion that the communist leader had known before the election about the secret disarmament of Croatian territorial defense by the JNA [Yugoslav People's Army] and had kept silent. "To the last pair of shoes," as Gen. Spegelj put it. Račan responded with the observation that a minister is incompetent if he cannot realize that arms are not only manufactured and purchased, but also obtained by seizure.

In spite of the position that Račan's discovery and recommendation about seizing weapons is equivalent to "an invention for the production of hot water," as Spegelj put it, this seems to have aroused the people in

the Croatian Defense Ministry. This was the signal for the command to begin seizing weapons from the Yugoslav Army by blockading garrisons all over Croatia. Nor did they stop there. Through piracy on the highways, Croatian policemen and Guards plundered military columns and convoys of the JNA withdrawing from Slovenia. During September alone, they plundered freight trains of the JNA with hundreds of cars of weapons from Slovenia. The assistant federal secretary for national defense, Admiral Brovet, appealed and begged to no avail when he called upon Croatian Prime Minister Franjo Greguric to return the weapons that had been seized and stop intercepting military convoys.

In addition to smuggling and large-scale deliveries from abroad, Croatia filled its storehouses by seizing garrisons of the JNA. That is how it created the Croatian army, which consists of the National Guard Corps [ZNG] and the Home Guard units, organized on the territorial principle. The MUP [Ministry of Internal Affairs] is not part of the Croatian army, but it unselfishly takes part in armed actions. Well-informed sources say that at the moment the Croatian army numbers about 160,000 armed soldiers assigned to all three branches: ground forces, navy, and air force.

The Home Guard units are now being organized, but even now there are about 80,000 armed Home Guards in Croatia. The shock force of the Croatian army is the ZNG, which has about 70,000 men. Then there are also the forces of the MUP, as well as a certain number of special-purpose units: commando-terrorist groups, paramilitary party structures (HDZ, HSP [Croatian Rights Party]), whose units do not have any great influence on the outcome of the battles.

The nucleus of the navy is made up of ships seized from the JNA, but work is already under way to build patrol boats, high-speed hydrofoils, and, as reliable sources say, there are also plans for purchasing small warships.

Croatia has not managed to develop an air force. There are a certain number of agricultural planes and sports planes, which could only be a problem for an extremely poorly organized anti-air defense. Well-informed circles say that Croatia, when it obtains international recognition, plans to purchase modern combat planes from the Western countries (for example, F-16's).

They have gone furthest in arming the ground forces. In addition to the arsenal of rifles, which is already well known, Croatian soldiers are armed with armor-piercing weapons, bazookas, cannons, "Malyutka" guided missiles, and the "Wasp," "Hornet," and "Ambrust" single-use rocket launchers. Then there are also anti-aircraft cannons with a range of three km, "Arrow" and "Stinger" missiles, the "Flame" and "Fire" multibarrel rocket launchers, cannons and howitzers with calibers up to 165 mm, and also mortars of almost all calibers. In short, along with the tanks which are to arrive from Germany, the Croatian army possesses enviable armament.

As reported by the Croatian news media, the training of the first generation of soldiers has already begun in Croatia. Under the new Law on Military Defense, the "recruits" will serve a 10-month period of military service, mainly in the garrisons of the JNA. According to the people in the Defense Ministry, as much as they "dislike the olive-drab uniforms," Croatian soldiers will for a time yet be using some of the quality "inherited" equipment of the Yugoslav Army.

The Croatian army, the military analysts say, has grown to become an armed force that must not be underestimated in spite of the fact that it was created overnight and at least for now does not have a sufficient quantity of weapons. It especially cannot be underestimated when one bears in mind the combat preparedness and readiness of the JNA, which was created over a period of 50 years. The sacred rule of all those who wage war is that the adversary simply must be respected.

Serbia

Statement Issued on Milosevic-Mitsotakis Talks

LD1401120492 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1017 GMT 14 Jan 92

[Text] Belgrade, 14 Jan (TANJUG)—Greek Prime Minister Konstantinos Mitsotakis arrived in Belgrade early this morning. Immediately upon his arrival, he had a meeting with the President of the Republic of Serbia, Slobodan Milosevic.

According to well-informed sources in Belgrade, the meeting and talks lasted from 0730 to 0845 (local) and were devoted to the ways of resolving the Yugoslav crisis. A full agreement was reached on the stands Greek Prime Minister Mitsotakis would advocate in his talks later today with German Chancellor Helmut Kohl and Italian Prime Minister Giulio Andreotti, as well as at a meeting tomorrow of the EC ministerial council, the same sources have revealed.

Mitsotakis' visit to Belgrade followed Greece's very lively diplomatic activity in the Balkans. Mitsotakis left Belgrade for Bonn from Belgrade airport at 0945. An official statement issued after the talks between Slobodan Milosevic, president of the Republic of Serbia, and Greek Prime Minister Constantinos Mitsotakis stresses that special reference was made to Serbia's and Greece's efforts to establish a stable peace and arrive at a political solution to the Yugoslav crisis.

In the course of their cordial and friendly meeting, both sides agreed that a particular contribution to this end could be made by the UN peace forces. Their arrival would considerably facilitate a peace process to be resumed within the framework of the conference on Yugoslavia, in line with its principles and the mandate with which it has been entrusted.

It was stressed that the continuity of Yugoslavia is of vital importance for the Yugoslav nations and republics

who wish to exercise their equal and common interests and successful development in a common state as well as for stability and peace in the region, the statement on the talks between President Milosevic and Prime Minister Mitsotakis says in conclusion. The talks were also attended by Vladislav Jovanovic, minister of foreign affairs of Serbia, and Eleftherios Karayiannis, Greek ambassador in Belgrade.

Jovanovic Comments on EC Attitude Toward Crisis

PM1501114792 Paris LE MONDE in French
15 Jan 92 p 5

[Interview with Serbian Foreign Minister Vladislav Jovanovic by Florence Hartmann in Belgrade; date not given]

[Text] [Hartmann] What is your opinion of the European Community's attitude since the start of the conflict in Yugoslavia?

[Jovanovic] At the beginning of the crisis, Europe held out a helping hand to us, and we accepted it in good faith. Then Europe made a proposal to us for a peace conference on Yugoslavia, and we accepted it since, at the time, we believed firmly in President Mitterrand's promises and in the European desire to help the Yugoslav peoples and republics to find a solution that would satisfy everybody. Unfortunately, after the opening of the conference, the Community diverged from the mandate that the Yugoslav republics, the CSCE, and later the Security Council had given it. Instead of behaving in a neutral and impartial fashion, it took the side of the secessionist republics.

Lord Carrington's plan sanctioned the independence movement and unilateral secessionism. Europe opposed the federal option and the right of the republics' peoples to remain in Yugoslavia in favor of secessionism. It went even further by not mentioning the name of Yugoslavia, although the peace conference was about Yugoslavia and not against or without Yugoslavia. It declared that Yugoslavia was finished as a state. Thus, the principle of legality was violated and the conference on Yugoslavia became increasingly dependent on the EC's political will.

Hesitations of French Policy

We were presented with several ultimatums, and trade and economic sanctions were adopted. They even introduced the theory of selective sanctions, which is an economic and political absurdity. Serbia and Montenegro were threatened with an oil embargo. All this intensified certain republics' mistrust of EC policy.

We also swiftly realized that what lay behind this European policy was a particularly aggressive [offensive] member state, Germany, which exerted enormous pressure and hampered the conference's work by forcing an arbitrary policy of *fait accompli*. Meanwhile, the United Nations took an interest in the Yugoslav crisis, and its impartiality and objectivity have allowed us to achieve

some success: the lull and respect for the truce on the ground, Cyrus Vance's plan, and the arrival of the first group of blue helmets in Yugoslavia.

[Hartmann] Nevertheless, is the French position different from Germany's?

[Jovanovic] We would like it to be, but we cannot see any substantive difference. Yugoslavia is not a priority issue for France. Relations with Germany are one of its absolute priorities, and we understand that. But this must not be a pretext for turning a blind eye to what is happening elsewhere in Europe, especially to certain aspects of Germany's policy in the Yugoslav crisis. It is deplorable that a country that was divided for 40 years and that so loudly demanded unification should be endeavoring to destroy our country's unity by promoting inequality and unilateral secessionism.

Austria, and unfortunately Italy too, have joined this anti-Yugoslav axis. There are others too. It is no accident that you find here practically all the countries that fought against Serbia and Yugoslavia during World Wars I and II. France is particularly dear to Serbs and remains deeply rooted in our hearts, but its hesitant policy has disappointed us. But President Mitterrand is an exception, since he has repeatedly sided personally with legality, which we greatly appreciate.

[Hartmann] What are Serbia's objectives now?

[Jovanovic] Serbia fought for centuries to live in a common state. Serbia's ideal was realized in 1918 and after World War II. But not everybody supported this idea. For years, decades even, the Croats and Slovenes acted against their country. Europe does not take this fact into account. When Tito was an old man, Slovenia and Croatia tried to weaken the Federation and to create the necessary conditions for leaving the Yugoslav community at an opportune moment. That moment came with the downfall of communism.

The first free elections, which ought to have given us democratic leaders, gave us ultranationalist and even profascist leaders, as in Croatia. Once they came on the scene, the idea of secessionism and even of the destruction of the Yugoslav state prevailed. At the same time revanchist and irredentist countries publicly supported this policy. This combination of forces against the Yugoslav state was too strong.

Greater Serbia: An "Absurdity"

[Hartmann] Does Belgrade want to create a Greater Serbia, and do you find this expression pejorative??

[Jovanovic] To speak of Greater Serbia is not just pejorative. That is an expression coined in order to divert attention from the real problems, namely secessionism and the destruction of Yugoslavia. If the Serbs had cherished the idea of Greater Serbia, it could easily have been implemented in 1918. A Greater Serbia was even offered to the Serbian Government by the allies.

But Serbia refused, in order to please the Croats and Slovenes, who were begging to join us in order to live in a common country. Our government hesitated at the time, but it made a fraternal gesture in order to protect the Croats and Slovenes from the claims of Italy and Austria at that time.

During World War II, the Serbian people, who formed the majority of the resistance, could have imposed their will and, once again, created a Greater Serbia. Instead of taking advantage of the situation, the Serbian people extended a hand to the Slovene people and the Croats. We even accepted the federal model in order to satisfy the others' needs. It is absurd to say that the Serbs, who twice refused to achieve their unity, are ready to do so now.

[Hartmann] What if the Serbian people were the only one to want to remain in Yugoslavia?

[Jovanovic] There is not only the Serbian people, there are also the Montenegrins. So long as there are at least two peoples, two republics, that want to live in Yugoslavia, Yugoslavia continues to exist and its juridical continuity as a state cannot be called into question. Of course, Bosnia has not yet reached a decision. Nevertheless, one of Bosnia's constituent peoples, the Serbian people, do not want to live in a Bosnian independent state but want to remain in Yugoslavia. It would be ideal if Bosnia were to preserve its unity and continue to live in the Yugoslav Federation, which is going to be reconstituted as a democratic and modern state patterned on the European countries. If Montenegro, Serbia and the Serbs, and Bosnia-Herzegovina want to remain in Yugoslavia, that represents half of the Yugoslav population.

The European Community's biggest mistake is to turn a blind eye to the existence of a desire on the part of half the Yugoslav population to live in a common country and to favor the other half, which wants to leave Yugoslavia forever.

[Hartmann] Why do you place such stress on maintaining Yugoslavia?

[Jovanovic] When Pakistan tore itself apart, half the country was the legitimate successor of the Pakistani state. So far as Yugoslavia is concerned, the half that is loyal to Yugoslavia has the right to claim the country's entire heritage, in particular, its name, its past, its present, and its future. You cannot have two types of criteria, one for Pakistan and the other for Yugoslavia. Moreover, you cannot compare what has happened in the former Soviet Union with what is happening in Yugoslavia. This example is often invoked to make us draw inspiration from it, but it is not the same: The Soviet Union was the result of a series of conquests, whereas Yugoslavia is the result of "entreaties" from the Slovenes and Croats to live with the Serbs and Montenegrins. In the USSR, all the republics decided to leave their country and proclaim their independence. In Yugoslavia, two republics and half the population are fiercely opposed to any idea of leaving the country.

[Hartmann] How do you see the independence of Slovenia and Croatia, which will be recognized by Germany and doubtless other European countries 15 January?

[Jovanovic] We regret it, but we will accept this new reality, for we have never disputed the right of the Croats and Slovenes to self-determination. We have merely asked that this be done in a legal and not illegal fashion. We wanted a negotiated divorce. The recognition of Slovenia and Croatia is no problem. However, we must settle the question of the Serbs in Croatia. We are insisting on recognition of the same national rights; we have no territorial claims.

We have always said that our neighbors' territories did not interest us. But we have also always stressed that the position and rights of Serbs living outside Yugoslavia greatly interested us. In our view, Croatia can be recognized as an independent state as soon as it has solved the problem of the Serbs in a satisfactory fashion and in agreement with the Serbs living there. That is why we supported the idea of deploying "blue helmets" in Croatia's Serbian enclaves, seeing UN protection of the Serbs as a guarantee that there will be no more war or genocide.

[Hartmann] If Zagreb is capable of guaranteeing respect for the national rights of Croatia's Serbs, could they remain in an independent Croatia?

[Jovanovic] In view of the past and the genocide of which they were victims during World War II, the fears of Croatia's Serbs about an independent Croatian state are understandable. I think they prefer collective suicide to living in an independent Croatian state. Especially when the policy of the Croatian leaders toward the Serbs is not greatly different from that pursued against them during both world wars. That is why the international guarantee and the UN protection must last long enough, maybe 10 or 20 years, for emotions to abate, economic prosperity to pick up everywhere, and the regime to evolve in the direction of democracy.

[Hartmann] Why has the 15th cease-fire more chance of succeeding than its predecessors?

[Jovanovic] Until now, that is, until the UN involvement, the cease-fires had been obtained by the European Community. And every time Germany and other countries, such as Austria, would threaten to recognize Croatia if the war continued. Which boiled down to inviting Croatia to continue the war. Fortunately, when the United Nations became vigorously involved in the "peace business," Croatia realized that there was no longer any advantage in continuing the war.

At the same time there was the unfortunate European declaration offering each of the republics the possibility of recognition. At that point, Croatia realized that, with or without the war, it would achieve its objective. That does not mean that the premature recognition of the independence of certain Yugoslav republics will make it possible to restore peace. It should not be forgotten that,

at the conference on Yugoslavia, Europe pledged not to recognize the independence of the Yugoslav republics before the end of this conference. The abandonment of this policy creates certain risks that must be realized. And 15 January could be a decisive and even fateful day, unless Europe realizes all the consequences of a premature unilateral policy.

[Hartmann] Does the Federal Army support Serbia's views?

[Jovanovic] The Federal Army is Yugoslav. Its concept has not changed. It is the secessionist republics that have forced it to depend increasingly on Serbia, merely so they could then accuse it of being pan-Serbian. The important thing is to stress that the Serbs do not have their own army, and they recognize the Federal Army as the only legal armed force in Yugoslavia. Thus, their protection depends on it.

The Army has always tried to behave like a Yugoslav army, particularly in Croatia, where it intervened to interpose itself between Serbs and Croats. When the Croats attacked the Army, it did not do more than defend itself. If it had gone onto the offensive, it could have conquered Croatia in less than a week.

Government Statement on Yugoslavia's Continuity
AU1401215792 Belgrade RTV Sat TV
in Serbo-Croatian 1830 GMT 14 Jan 92

[Text] The Government of the Republic of Serbia stresses, in a statement issued after a session chaired by Dr. Radoman Bozovic, that the recognition of some republics by other countries cannot undermine the continuity of Yugoslavia.

Stressing that the right to secession of some Yugoslav republics cannot be stronger than the right of others to be loyal to Yugoslavia as an existing common state, the Government of Serbia states that over the 73 years of its existence, Yugoslavia has changed its name, territory, and political and economic structure, but has always existed as an internationally undisputed common state of those Yugoslav peoples which wanted this.

The separation of some parts from Yugoslavia does not cause the international legal discontinuity of Yugoslavia. This kind of separation is only a product of an internal constitutional and legal problem that will be solved with the adoption of a new constitution of Yugoslavia.

The Government of the Republic of Serbia thinks that it is the constitutional responsibility of the existing organs and institutions of Yugoslavia to carry out their constitutional and legal duties until a new constitution is adopted and new organs of Yugoslavia are elected.

Opposition Party Views on New Government Noted
92BA0348B Belgrade BORBA in Serbo-Croatian
25 Dec 91 p 11

[Article by S. Zelenbaba and R. Pivljanin: "A Team to Distrust"—first paragraph is BORBA introduction]

[Text] Rakitic (SPO [Serbian Renewal Movement]): I do not see any substantive changes; Petrovic (DS [Democratic Party]): The program bypasses the major issues; Seselj (SRS [Serbian Radical Party]): Why didn't Kosutic stay?; Pesic (Serbian Reformists): Bozovic was "celebrated" for suppressing the freedom of the press; Cavoski (SLS [Serbian Liberal Party]): The prime minister was pulled out of a hat.

Slobodan Rakitic (SPO): Above all, it is bad that we did not hear from the new prime minister what he thinks about the results of the work of the previous government. Will he continue where Zelenovic left off, or will the new program be at odds with the old government's program?

The way that the change was carried out, one cannot see how the new government will be different from the previous one, because it does not guarantee any radical change. Everything can be reduced to personnel changes, and that is not the essential thing.

What was read to us by Mr. Bozovic, who should be congratulated for his courage in accepting the duties of prime minister, represents more of a declaration during some election campaign than a high-quality program. It is a list of lovely desires, where no mechanisms for achieving those desires can be seen.

To be more specific, was it really impossible to find someone from Kosovo and Metohija to be a member of the government, in view of the drastic situation there? The replacement of Deputy Prime Minister Kosutic and Minister of Culture Saranovic is surprising. If anyone strove to work in Zelenovic's government, it was Budimir Kosutic. Perhaps his being left out like this is a punishment because he worked more than he was supposed to.

Everything the Old Way

Mirko Petrovic (Democratic Party): Actually, nothing is changing with the arrival of the new government and prime minister. They are continuing the policy that has been conducted for the past year. The new government's program was general in nature, and did not include the issues of reducing the social burden on the population, the denationalization of property, the issue of the state's economizing, and paying for the enormous state apparatus.

On the political side, the Serbian government has not answered the most significant question—the question of the sovereignty of the state of Serbia, and its attitude toward federal sovereignty. Also unclear is the government's attitude toward the institution of the president of the Republic; more precisely, there has not been any

answer as to whether it will continue the old practice of the government's being the bureaucratic apparatus of the president of the Republic, and not the Assembly's executive authority.

We do not know whether the new government will demand that all issues of interest to the state will be settled in parliament, and not in Slobodan Milosevic's office, and when the president of the Republic, in accordance with the constitution, will submit accounts to the parliament after all his most significant contacts with the world.

Vojislav Seselj (SRS): In conditions in which the strongest party has four fifths of the deputy seats in the National Assembly, a change in the government does not have great significance. Which individual will be the prime minister and who the ministers will be is purely a technical issue. I do not think that anything significant will change in Serbia with the arrival of the new government. I am convinced that it has to maintain the former strategic commitments of Serbia as a state.

There were not any conditions allowing the formation of a coalition government, because the opposition parties that have the largest number of deputies in the parliament are systematically following a policy of opposing vital Serbian national interests. In principle, as a member of the opposition, I would vote against any government whatsoever that was put together by the ruling party. Nevertheless, as a citizen, I am surprised that the cabinet lacked certain very qualified people, like former Deputy Prime Minister Budimir Kosutic.

A "Troika" to Suspect

Vesna Pesic (Serbian Reformists): The goal of Bozovic's government, as he says, is to establish peace, political agreement in Yugoslavia, and prosperity. Those are the old goals that the Serbian Socialist Party has already promised the people once, but has not achieved. It cannot be seen why Bozovic, in view of his past statements, would achieve such goals.

Any citizen, in this time of war, must suspect the intentions of the people who hold three key posts in the new government. I am thinking of Prime Minister Bozovic, Police Minister Sokolovic, and Defense Minister Negovanovic.

The suspicion is justified, because these are the most "hardline" people from the former communist regime. Bozovic was "celebrated" for suppressing the freedom of the press in Vojvodina. His orientation is obviously undemocratic. Negovanovic spent his whole life in the Counterintelligence Service (KOS), and experienced a debacle in the war in Slovenia. He is known for his militant statements, and that is why, at least for now, we have the right to suspect his peaceful motives.

Kosta Cavoski (SLS): It seems to me that in designating a prime minister to form a new government, the president of the Republic had ancient democracy in mind, and not modern democracy.

Modern democracy is primarily based on elections, which is actually an aristocratic element in a democratic order. The meaning of elections is that those who are elected is that they are better than those who elect them, if not the best. Ancient democracy, however, is based on the principle that virtually anyone can reach any position, even the highest. It seems that this is precisely what Slobodan Milosevic had in mind when—at least, this is the way it seems to me—he pulled Radoman Bozovic's name out of a hat.

Kosovo Gathers 200,000 Names for UN Petition

*AU1401154492 Tirana Radio Tirana Network
in Albanian 1430 GMT 14 Jan 92*

[Text] Signatures are being gathered in the Republic of Kosovo for a petition to be sent to UNESCO about the situation in Albanian-language education, asking this organization to help to ensure that classes for Albanian young people in primary and secondary schools are not prevented. This petition has so far been signed by 200,000 people. The Kosovo Democratic Alliance Women's Forum is organizing this campaign.

Bosnia-Herzegovina

Statistics Institute Reports on Economy

*AU1401212792 Sarajevo Radio Sarajevo Network
in Serbo-Croatian 1800 GMT 14 Jan 92*

[Text] A news conference was held today in the Bosnia-Herzegovina Statistics Institute. Miroslav Simovic has a report:

[Begin Simovic recording] The statistics only show what most of us feel and see when we go into a shop and when we receive a sort of wage. With regard to the November personal incomes, Bosnia-Herzegovina occupied last place with an average of 7,580 dinars. We are talking about November, because wages for December have either not yet been paid or are now being paid. This is, of course, if you are not one of those 106,000 workers in the republic, who have not yet received even their November pay.

Of course, this is a result of the decline in industrial production, which is the greatest in Bosnia-Herzegovina after Croatia. Out of 34 industrial branches for which there are statistics, only two report increased production. These are electricity generating and cattle fodder production, more precisely, the Agrokomerc combine. It is not even necessary to mention that the number of those employed in the social sector is constantly falling.

The so-called basket of products necessary for a four-member family has been shown to be unattainable. That

is to say, average-salaried breadwinner in such a family can only buy half of this basket in which milk, eggs, bread, meat, and so on (?make up) most of the 65 products. According to the figures of the Statistics Institute, (?in the period) since February of last year, the highest percentage of wage increases was reported in sociopolitical communities and organizations, the housing and amenities sector, and trade.

Estimates of inflationary trends do not promise much that is good. The Argentinian syndrome has been mentioned, that is to say, a rate of inflation difficult to express in figures. [end recording]

Montenegro

Government Supports SFRY's Legal Continuity

LD1401210592 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1924 GMT 14 Jan 92

[Text] Titograd, 14 Jan (TANJUG)—The Government of Montenegro stated at today's session that the recognition of the autonomy and independence of individual Yugoslav republics by other states cannot bring into question Yugoslavia's international legal status, its status as a state in its own right, and its continuity.

Montenegro vested in Yugoslavia its internationally recognized statehood and sovereignty, which from the Berlin Congress of 1878 until today has not been disputed by a single international legal act or by the individual diplomatic deed of any state; hence, it cannot accept that individual states can make a decision on its and the common state's status as subject and international legal continuity in a way that contravenes the principles of international law and of the UN charter and is outside the international institutions recognized for this purpose, the Montenegrin Government statement says.

Macedonia

Participation in 'Small Yugoslavia' Ruled Out

LD1401184392 Belgrade TANJUG in English
1600 GMT 14 Jan 91

[Text] Belgrade, 14 January TANJUG—The Republic of Macedonia, which is counting on a favorable decision by the Badinter commission with respect to its recognition by the EC, will not be changing its name so as to satisfy Greece's irrational demand, its president, Kiro Gligorov, has stated. In talks with a France Presse journalist in Skopje, Gligorov has stated that such a change in the name of the Republic is absolutely impossible. We do not have any territorial claims on this country or on any other, nor do we intend to interfere in its internal affairs.

President Gligorov formally ruled out the possibility that Macedonia could be included in a new small Yugoslavia, as Serbia and its ally Montenegro are trying to found.

Gligorov on EC Recognition, Albanian Issue

AU1501095392 Belgrade RTV Sat TV
in Serbo-Croatian 1915 GMT 14 Jan 92

[Interview with Macedonian President Kiro Gligorov by correspondent Zoran Vukovic; place and date not given—recorded]

[Vukovic] First of all, thank you for your time, Mr. Gligorov. I would like to ask you only a few questions. At the moment, it is not known what the stand of the EC Arbitration Commission is regarding the request by four Yugoslav republics for recognition of their independence and autonomy. I would ask you, if this is not a problem, about your own personal forecast and expectations.

[Gligorov] According to what I have been able to establish myself, I can say that Macedonia meets the conditions put forward by the EC. Therefore, I assume that such a group of lawyers could not pass a negative opinion on the basis of all this.

[Vukovic] I would also ask you to comment on the following: A certain misunderstanding occurred at the meeting between Greek and Bulgarian representatives. About ten days ago, the Macedonian Assembly clearly stated that it holds no territorial claims and will not meddle in the internal affairs of neighboring states. However, the problem of the name of Macedonia remains, which is the issue Greece is insisting upon. How do you see this?

[Gligorov] I think that if Macedonia meets all other criteria, and Macedonia does indeed meet them, then it is very odd, not to say irrational, to insist that a nation that has had this same name for centuries should now change it. Or again, why would a state that has existed as a republic since 1944, and is called Macedonia, why would it bother any one now, when this has never stood in the way of normal relations between neighbors so far? I can understand certain feelings in Greece, but we must set matters of the past aside. We must make sure that we cooperate and that we have normal and friendly relations in the future. We have plenty of reasons for wanting to have normal and friendly relations with Greece. We are always offering this cooperation. Therefore, I am surprised that something that has been linking us as a long-term interest would be hindered by a name.

[Vukovic] On 11 and 12 January, the citizens of Albanian nationality who live in Macedonia, in west Macedonia, held a referendum that was clearly deemed by the Macedonian Assembly illegitimate and unlawful. The results have not been announced yet. Therefore, there have been comments that this could, in fact, be linked with the stand of the Arbitration Commission. Could you please comment on this referendum?

[Gligorov] You see, I do not know why the results have not been published yet. They can be published, they can contain high percentages and so on, but the facts are as follows: We did not opt for any repressive measures, as

might have been expected, so that a great stir could be raised on the basis of that in order to show endangerment, and so on. On the contrary, while we wanted to show that this was an illegitimate act, we continued (a dialogue). We did this by convening the Assembly, in which, as it is known, the Albanians participate with 23 deputies. After a debate and on the proposal of one of the deputies of Albanian nationality, the debate was interrupted when it was proposed that the conclusions put forward by the Government be endorsed. The first conclusion proposed by the Government states was that the referendum was unlawful, unconstitutional, and that it could not have any legal effect. Of the 20 Albanian deputies present, 16 voted in favor of this conclusion, one was against, and three abstained.

[Vukovic] You spoke about the Ohrid talks and about the continuation of cooperation at the last, 31st session of the Macedonian Assembly. Please, what are your views on relations with your northern neighbor, Serbia. Macedonia is surrounded by Albania, Greece, Bulgaria, and Serbia. What do you expect after the Ohrid talks, will they resume soon, and how do you see these relations in general?

[Gligorov] I think that this meeting was very significant, and I believe—I can say this freely since I am very certain—that the meeting had very positive effects in Macedonia. I heard from [Serbian] President Slobodan Milosevic that the reaction in Serbia was similarly positive. This itself shows that such a meeting was needed, that we understood each other, that our talks were based on reality. The fact that the statements on this meeting given by President Milosevic almost match the statements I gave shows clearly enough that we had identical views on the results of this meeting. A real result of this meeting is the following: Regardless of the sort of association we will be in, or regardless of whether we will be independent states, the cooperation between Macedonia and Serbia must continue in all spheres.

[Vukovic] You expect these talks to continue?

[Gligorov] During the last round of talks in Brussels, we agreed to meet as soon as possible, that the presidents of the governments also attend the meeting, and that we talk about specific matters, matters of vital importance.

[Vukovic] Finally, I would like you to ask the following: There are some views—I think Dr. Vasil Tupurkovski also mentioned it during a Sarajevo program [not further specified]—that the status of the citizens of Macedonia who are of Serbian nationality has not been solved in the best possible way in the constitution.

[Gligorov] You see, this is a big misunderstanding that was used for propaganda purposes. It had unfavorable effects, and I really regret this. Serbs in Macedonia do not have any reason whatsoever to complain that they are not treated equally. On the contrary, we do not differentiate them, in the sense that they should now be treated as different. It would be a mistake to treat them differently, which would mean that they are a minority.

The Macedonian and Serbian peoples have been peoples in Yugoslavia that have existed until now. Therefore, this would be one mistake. On the other hand, if we treated Serbs as a people that are creating a state here together with the Macedonian people, this is not a situation like in Croatia, either as regards their number or the historical aspect of the issue. Just as, for instance, we are not at all considering questioning why the Serbian Constitution does not mention the Macedonians. We have understood that. The Macedonians are a nation in this Yugoslavia, and there is no need for them to be listed as a minority in the Serbian Constitution. It is the same thing, we have been led by the same thing in the case of our own constitution.

However, we think that the council that the parliament is going to set up for all nationalities living in Macedonia will include Serbs on a parity basis, especially because there are no outstanding questions between us and Serbs here in Macedonia that we need to discuss. We will be together in this commission, and we will discuss such matters if they exist.

[Vukovic] Mr. President, on behalf of our viewers, thank you very much for your time and thoughts.

[Gligorov] Thank you.

'Illegitimate' Referendum Called 'Successful'

LD1401221292 Belgrade TANJUG Domestic Service
in Serbo-Croatian 2116 GMT 14 Jan 92

[Text] Gostivar, 14 Jan (TANJUG)—The Albanian referendum in Macedonia, which was proclaimed illegitimate in that republic, was successful. This was the assessment made today by Djilaz Fejzulahu, the president of the so-called "Assembly for Political-Territorial Autonomy of the Albanians in Macedonia", and by Neim Selmani, chairman of the central commission for the implementation of the referendum.

In Gostivar, Macedonian TV reports, they assessed the referendum to have been 99.90 percent successful, but they did not make it clear whether this information refers to the response among the voters, or whether this was the percentage of the voters who had opted for political and territorial autonomy. Nor was the information given as to the total number of voters who had gone to the polls.

Belgrade Radio Announces Results

AU1501170992 Belgrade Radio Belgrade Network
in Serbo-Croatian 1400 GMT 15 Jan 92

[Text] The results of the referendum of Albanians in Macedonia have been announced. Boris Djordjioski has the details:

[Begin Djordjioski recording] According to the figures that were announced in Gostivar by members of the central commission for carrying out the referendum, 99.9 percent of those who took part in the referendum on

11 and 12 January voted in favor of the political and territorial autonomy of Albanians in Macedonia. Out of the total of 383,539 voters on the electoral roll, which was put together by the Albanians themselves, 92 percent went to the polls, and 360,228 voted in favor of autonomy; only 57 voted against, or only 0.1 percent of Albanian citizens.

The votes of 75,000 Albanians who live in other Yugoslav republics or work in West European countries are also being counted here.

The commission thinks that about another 60,000 Albanians with the right to vote did not go to vote on the referendum because of pressure from the militia. They claim that there are more than 400,000 adult Albanians. This calculation, based on the number of Albanian families, shows that in their opinion there should be almost a million members of the Albanian nationality in Macedonia and not the 420,000 that is given in Macedonia's official documents and figures.

The Macedonian Government proclaimed this referendum illegal and thinks that as such it cannot have any legal implications. The dilemma on the number of Albanians in Macedonia will be resolved by the announced census of the Albanian population under the supervision of representatives of international organizations and institutions. [end recording]

Speculations on Republic's Future Reported

92BA0281A Belgrade BORBA in Serbo-Croatian
14-15 Dec 91 p V

[Article by Dragan Nikolic: "The Macedonian Route to Independence: A State, and Democracy"—first paragraph is BORBA introduction]

[Text] The Macedonian Government holds that Macedonia would obtain independence at the conference table because it fulfills all conditions: It has its government, a population that has come out for independence and a territory whose borders are "fixed and indisputable." Thus, recognition is the priority for Gligorov, and next he will turn to the building of a democratic and market-oriented Macedonia and a Macedonia friendly with its neighbors.

The president of the Macedonian state, Kiro Gligorov, wrote in a letter to Robert Badenter, president of the Arbitration Commission of the Conference at The Hague, that there is little hope after all that any kind of association of Yugoslav republics will be created. Kiro Gligorov, it seems, is putting everything on the card of a sovereign and independent Macedonia and its international recognition.

In the ranks of the Social-Democratic Alliance, which is Gligorov's political base, there have been politicians from the very beginning who have declared that Gligorov, with the Declaration on Sovereignty and the referendum on independence, was carrying out, in effect,

what Slovenia and Croatia had: secession. In insisting that Macedonia be internationally recognized along with Slovenia and Croatia, is Gligorov now giving proof that these politicians were right, and not those from the "most nationalistic opposition," that he is not carrying out secession but only demagoguery?

Gligorov is indeed accused by the "most nationalistic" of being too involved with "saving Yugoslavia" and that he is now running out of time. Macedonia is much further than Slovenia and Croatia from the goal of international recognition of new states. Gligorov has replied to this fierce criticism: It is first necessary to consolidate Macedonia, to pass a declaration and a constitution in a peaceful and democratic manner, and hold a referendum, and then go out to the world with the demand to be recognized as an international entity; he has done this, having sent a letter to UN leaders. However, despite this reasonable reply, the impression has remained that the "most nationalistic" are still at Gligorov's heels, because his "constructive policy" could be threatened if Slovenia and Croatia are recognized without Macedonia, although Gligorov has emphasized that Macedonia will be recognized with them or after them.

The intention of Austria and Germany to recognize the northwestern "secessionist" republics today or tomorrow is introducing into Gligorov's staff a lot of nervousness, which is not easy to understand in view of the fact that it is thought that such individual recognition would be a formality, on paper, and that nothing would improve but only worsen. It would be difficult to assume that it would happen otherwise, if Macedonia is towed along with Slovenia and Croatia and if Macedonia has lost its nerve and no longer plays the card of "oasis of peace." It is possible that an "acceleration of tempo" by Gligorov is not dictated by rational pressure from the "constructive opposition," but by the foreign and domestic uncertainties with which Macedonia is faced today. Robbers from Albania are coming into Macedonia in greater numbers past fewer border guards, and relations reflect this. Fear is also spreading of intrusions by protectors of "threatened Serbs" from the north and the arrival of Bulgarian tanks, which would protect "Macedonian Bulgarians." Mention is being made here and there of a Greek-Serbian clash in the Vardar valley. Other rumors are also circulating. What is evident are shortages in shops and thinner and more infrequent envelopes at pay windows. The social alliance is not uncertainty (as soon as fear of the war diminishes) and the "most nationalistic" are already forming "free trade unions" instead of communist ones. On the basis of what the "most nationalistic representatives" are saying in Parliament, they will play the card of "equal wages and pensions" and "divesting former Communists and present Serbian Communists of their privileges." It remains to be seen whether a recognized Macedonia will be in less uncertainty, with regard to the fact that a ("fluidly existing") Europe would stand behind it, when a "nonexistent" Yugoslavia has ceased to stand behind it.

No matter how much and what kind of speculation there is, the fact nevertheless remains that Gligorov is still in favor of resolving the Yugoslav crisis at the conference table through agreements. He opposes individual recognition of republics and the involvement of foreign states in the Yugoslav crisis, ("even if the details of an escalation of the crisis in such a case could be foreseen," Vasil Tupurkovski said several days ago). At the conference table, Macedonia would avoid risks and obtain independence. It holds that it has the right to this because it fulfills these criteria: Macedonian authority covers the whole Macedonian territory, Macedonians are the majority on this territory and they have expressed the wish in a referendum to live in a sovereign and independent state, and the borders of Macedonia are fixed and indisputable.

If it is necessary to say whether the ordinary Macedonian knows what awaits him in a sovereign and independent Macedonia, it could be said that, for the most part, he doesn't know. He looks into the future with anxiety.

"Real Macedonians," however, think that there is no price that should not be paid for independence. Whoever is not prepared for this is not a Macedonian. Those Macedonians who support Gligorov, and they are the most numerous, expect that it will be better, because they will escape the consequences of the war conflagration (including the embargo) and because Macedonia will be a market-oriented, democratic, and open state, especially since the Hague conference is uncertain and ethnic-social chaos of great proportions is possible.

The "constructive opposition" claims that Gligorov is leading Macedonia into the rest of Yugoslavia, that state opposition is on the upswing, and privatization is lagging; this is causing shortages. Neocommunism is in sight, they claim, Gligorov is even turning away—as soon as he finishes his "nation-building affairs," including international recognition—from devoting himself to his real job: building a democratic and market-oriented Macedonia and one friendly with all neighbors.